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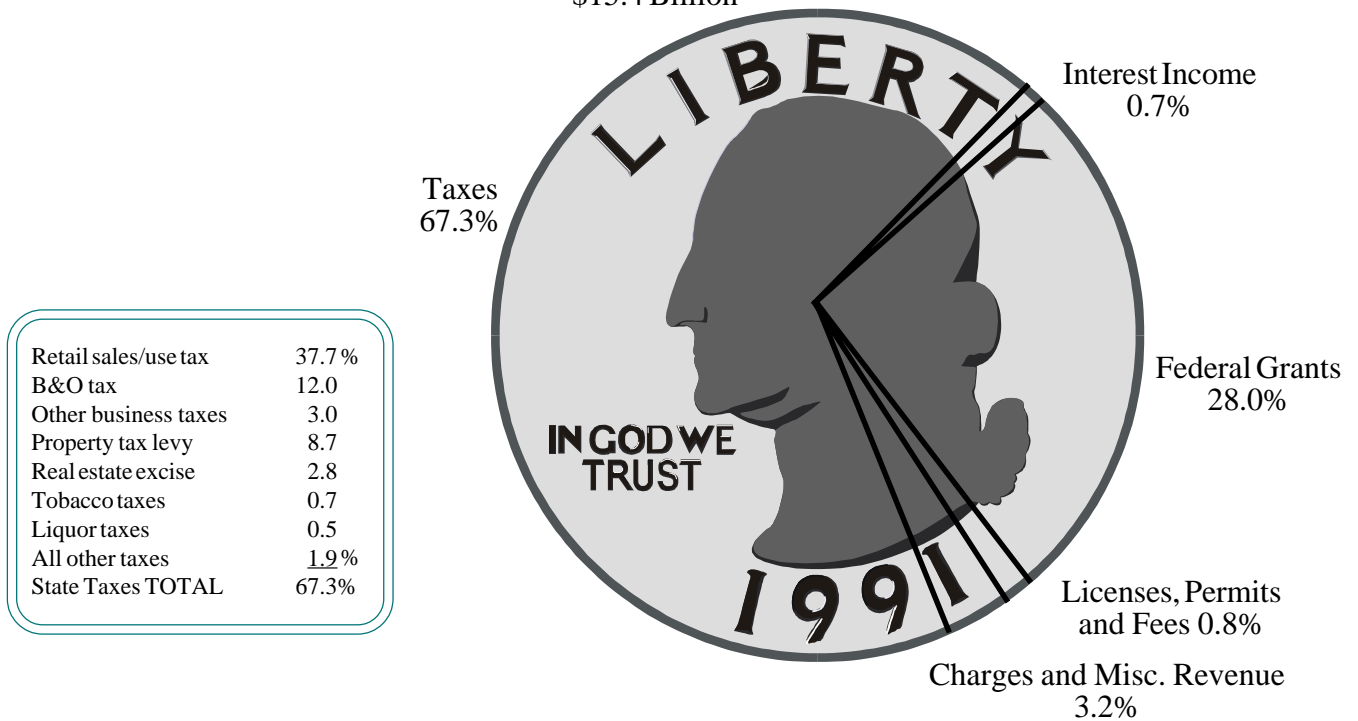
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***An Introduction to  
Washington State  
Excise Taxes***

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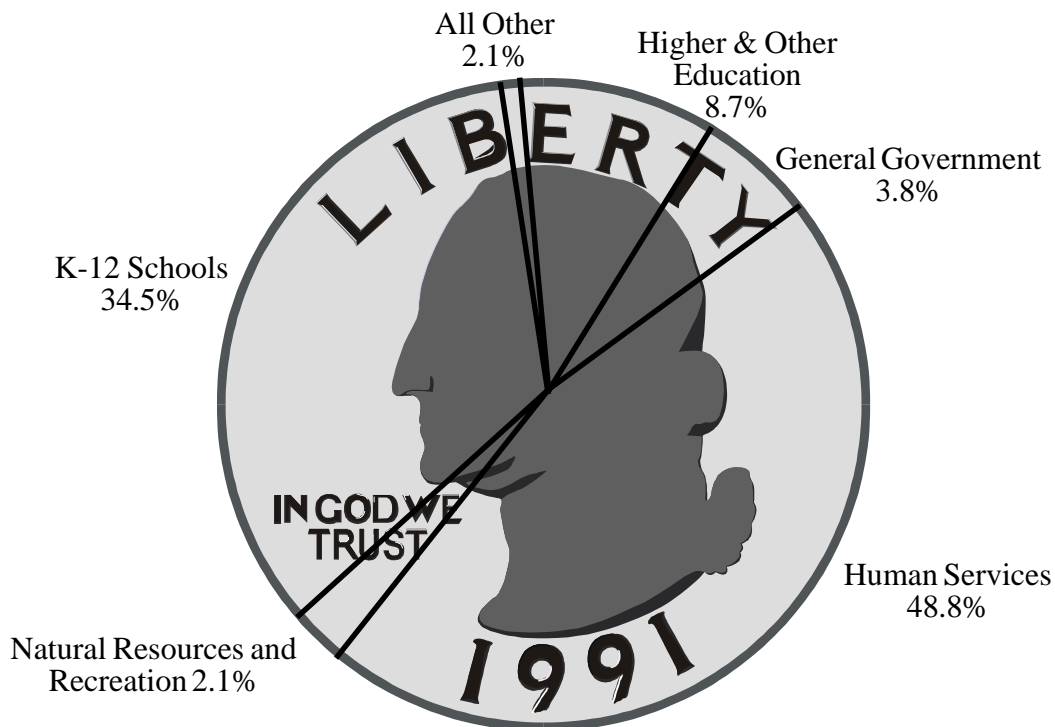
## Where the Tax Money Comes From

Fiscal Year 2000 State General Fund  
\$15.4 Billion



## Where the Tax Money Goes

Fiscal Year 2000 State General Fund Expenditures  
\$14.4 Billion



# INTRODUCTION

Welcome to the Department of Revenue's New Business Outreach Workshop. This workbook was created to help new and existing businesses better understand Washington's tax structure. It is intended to provide a basic overview of the taxes that apply to various business activities in Washington.

The information contained in this workbook is current at the time of publication. Please remember, state tax laws change on a regular basis and this workbook will not reflect any future changes.

Tax Information Specialists at the Telephone Information Center are available to answer your specific tax questions Monday - Friday from 7:30 a.m. to 5:00 p.m. at 1-800-647-7706. Information on the Department's services and publications is located in the back of this workbook.

We hope that you find our workshop and workbook beneficial.

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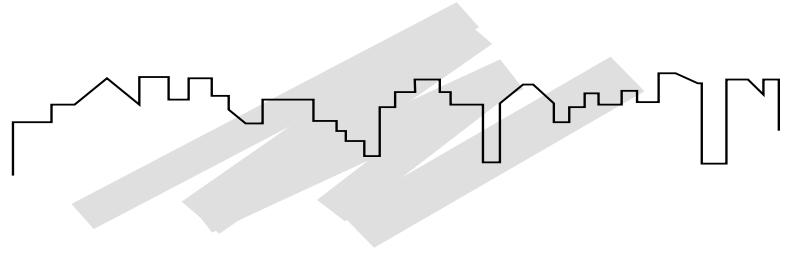
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# Your Rights and Responsibilities



## **T**he taxpayers of the state of Washington have the *Right* to:

- ✓ Simple and prompt administrative process for tax refunds and credits.
- ✓ Timely, fair and equitable treatment with dignity and respect.
- ✓ Accurate written information on reporting instructions, appeal procedures, refund claims and reasons for assessment.
- ✓ Public hearings on proposed rules.
- ✓ Review and appeal of assessments, business registration revocations and adverse rulings.

✓ Remedies when statutes and rules are found to be unconstitutional.

✓ Confidentiality of financial and business information.

✓ File returns and pay taxes in a timely manner.

✓ Ensure the accuracy of the information entered on their tax returns.

✓ Substantiate claims for refund.

✓ Notify the Department of Revenue and pay taxes promptly when closing a business.

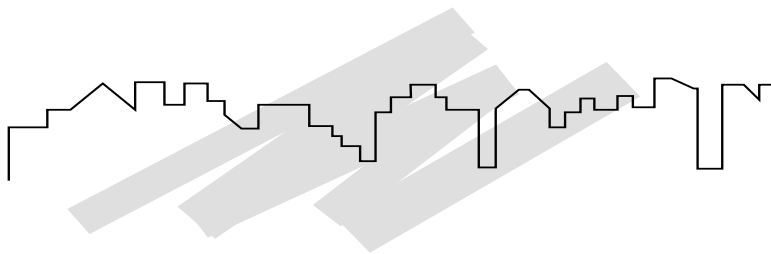
## **T**he taxpayers of the state of Washington have the *Responsibility* to:

✓ Register with the Department of Revenue.

✓ Know their tax reporting obligations and seek instructions when they are uncertain.

✓ Keep accurate and complete business records.

# Registering with the Department of Revenue



## You must register with the Department of Revenue if:

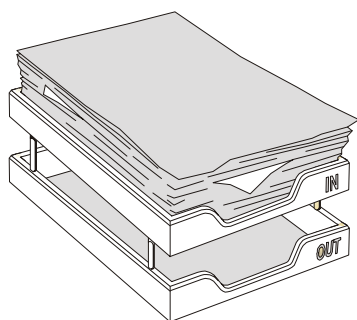
- ◆ You are required by law to collect and account for retail sales tax

OR

- ◆ A tax is imposed by the Revenue Act upon the business activity which you are engaged in

OR

- ◆ The business owes any other taxes or fees to the Department of Revenue.



## You do not need to register with the Department of Revenue if:

- ◆ Your gross income is less than \$12,000 per year under the business and occupation tax and less than \$12,000 per year under the public utility tax

AND

- ◆ You are not required to collect or remit any tax to the Department of Revenue.



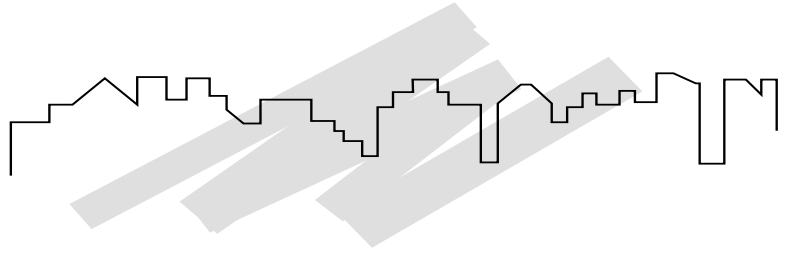
## Not all registered businesses need to file Combined Excise Tax Returns (CETR) with the Department.

Businesses that are assigned active nonreporting status are considered to be actively doing business in Washington, but do not need to file returns with the Department of Revenue. To qualify as an Active Nonreporter, you must meet **all** of the following criteria:

- ◆ Your business activity does not require the collection of retail sales tax; and
- ◆ Your gross proceeds of sales, gross income, or value of products is less than \$28,000 for all business and occupation tax classifications and less than \$24,000 for all public utility tax classifications; and
- ◆ The business owes no other tax or fee to the Department of Revenue.

If you qualify as an Active Nonreporter, have not received this status and would like to, contact your local field office or call the Telephone Information Center at 1-800-647-7706.

# Other Agencies to Contact



**E**ven if you are not required to register with the Department of Revenue, you may have to register with other state, local or federal agencies. For instance, businesses with employees must register with the Employment Security Department and the Department of Labor and Industries. Master Applications for registering businesses with the state are available from any office of the departments of Revenue, Licensing, Labor and Industries, Employment Security and the Secretary of State. If you need more information, please contact us or one of the agencies listed.

## Department of Licensing

Certain business activities require special registration or agency authorization. These include selling liquor, cigarettes and lottery tickets. The Master Application contains general information on special requirements and how to obtain them. You can receive information about the licenses you may need for your business from the Department of Licensing. You may also order a customized licensing packet. The packet includes information on licensing requirements, referrals to related federal, state, and local agencies, application forms tailored to your business type, and the booklet "Operating a Business in Washington State." The Department of Licensing also registers trade names for sole proprietorships and general partnerships. If you need a copy of your business license, contact the Department of Licensing.

### Department of Licensing

Business and Professions Division

PO Box 9034

Olympia WA 98507

(360) 664-1400

<http://www.wa.gov/dol/bpd/buslic.htm>

## Labor and Industries

If you employ one or more persons, you must apply for industrial insurance coverage with the Washington State Department of Labor and Industries. Industrial insurance is not required for business owners, but those who want it can complete an application for employer coverage. To apply for industrial insurance or request more information, please look for the nearest Labor and Industries location under the government pages in the front of your telephone book.

### Department of Labor and Industries

Employer Services

PO Box 44144

Olympia WA 98504-4144

(360) 902-4817

<http://www.wa.gov/lni/>

## Employment Security

If you have any employees, you must also apply for unemployment insurance coverage with the state of Washington Employment Security Department. For the office nearest you, refer to the government pages in the front of your telephone book.

### Employment Security Department

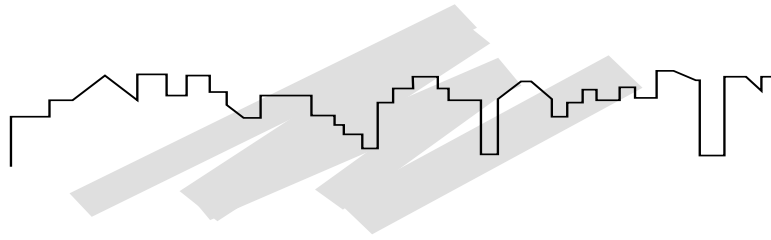
Status Unit

PO Box 9046

Olympia WA 98507-9046

(360) 902-9360

<http://www.wa.gov/esd/>



## Secretary of State

Contact the Secretary of State's office to file Articles of Incorporation or a Certificate of Limited Partnership if your business has either type of ownership. The Secretary of State also registers trade marks, as well as trade names for corporations and limited partnerships.

### Secretary of State

Corporations Division

PO Box 40234

Olympia WA 98504-0234

(360) 753-7120

<http://www.secstate.wa.gov>

## Internal Revenue Service

If you pay employment taxes, such as industrial and unemployment insurance, you need to have a Federal Employer Identification Number (FEIN). In some special cases, businesses without employees may be required to obtain a FEIN. The Internal Revenue Service also offers workshops and other taxpayer education services.

### FEIN

1-800-625-7645

### Information

1-800-829-1040

### Forms

1-800-829-3676

### Fax-on-demand

1-703-487-4160

### Teletax (24-hour tax information)

1-800-829-4477

### Internet

<http://www.irs.ustreas.gov/>

## City and County taxing offices

If your city or county has business taxes and you are located within the city limits, you will need to register with the city taxing authority, such as the city auditor. Businesses located outside city limits should register with the county taxing authority, which may be the county clerk's office.

Also, remember to contact your county assessor as soon as your business opens. Businesses are required to report personal property — assets used in the operation of a business — to the assessor. Personal property includes furniture, office equipment, machines and supplies used in the course of doing business.

Check your local telephone directory for the location of these offices.

## Additional sources

The following agencies also offer tax-related information and business assistance:

### Small Business Administration

(206) 553-7310

Teletax: (206) 220-6500

<http://www.sba.gov>

### Office of Trade and Economic Development

Business Technical Assistance

1-800-237-1233

<http://www.oted.wa.gov>



# BUSINESS AND OCCUPATION (B&O) TAX

**W**ashington's business and occupation (B&O) tax is the second largest tax source for the state. In Fiscal Year 1998, B&O tax collections totaled 1.9 billion, which represented approximately 17.5 percent of revenue sources within the state general fund.

In addition to the state B&O tax, many Washington cities tax businesses on their gross income. There is, however, *no* connection between the state and local B&O taxes. To find out if your city has a B&O tax, call your city's business license office.

## State B&O tax

The state B&O tax is a gross receipt tax measured on the value of products, gross proceeds of sales or gross income of the business. Since the B&O tax is a cost of doing business, it should not be billed to your customers as a separately stated item.

Almost all businesses located or doing business in the state of Washington are subject to the state B&O tax. This includes corporations, partnerships, sole proprietors and nonprofit corporations.

Unlike the retail sales tax, a sale does not have to occur for a business to owe B&O tax. An example of an activity that would generate B&O tax without a sale occurring would be extracting or manufacturing goods for your own use.

Washington, unlike many other states, does not have an income tax. An income tax is based on net business profits AFTER expenses. Washington's B&O tax is calculated on GROSS income from activities in the state. This means there are no deductions from the B&O tax for labor, materials, taxes or other costs of doing business. However, your business may qualify for certain exemptions, deductions or credits.

## Payment of taxes

The state B&O tax is paid on the Department of Revenue's Combined Excise Tax Return (CETR). Businesses file tax returns monthly, quarterly or annually. After you register your business, the Department of Revenue will determine your reporting frequency based on

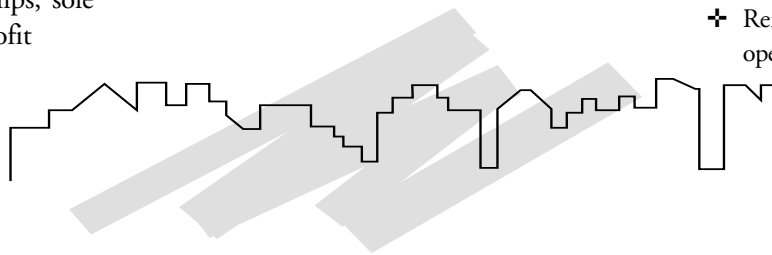
your estimated gross income and your type of business. You will then be mailed a return for your respective reporting frequency.

## Descriptions of major B&O tax classifications

Following are brief descriptions of the major B&O tax classifications.

**Retailing** — Businesses that sell goods and certain services to consumers are retailers. Taxable retail services include:

- ◆ Those generally performed on either real or personal property, including:
  - ✦ Construction
  - ✦ Repair
- ◆ Certain personal services, including:
  - ✦ Auto detailing
  - ✦ Dating and escort services
  - ✦ Tanning
  - ✦ Physical fitness services
  - ✦ Tattooing
- ◆ Specialized activities, including:
  - ✦ Lawn mowing, tree and shrub pruning and trimming
  - ✦ Insect spraying
  - ✦ Day trips for sight seeing
  - ✦ Escrow services
  - ✦ Renting equipment with operators



Businesses making retail sales are subject to the B&O tax under the Retailing classification, even when the sales are not subject to retail sales tax. For example, food products are exempt from retail sales tax, but the income from food sales is taxable under the Retailing B&O tax classification.

**Wholesaling** — Wholesalers sell goods and services to persons who will resell them to others in the regular course of business. The B&O tax is calculated on the wholesale selling price. If you are a wholesaler, you must keep a resale certificate on file from each buyer to document that the transaction was indeed, a wholesale sale. Retail sales tax is not collected on wholesale transactions. Blanket resale certificates for frequent wholesale customers must be renewed every four years. A copy of a resale certificate is printed on page 23 for your use. For more information on resale certificates, please refer to our *Information on Washington's Tax Structure - Resale Certificates* fact sheet. ***Do not send completed resale certificates to the Department of Revenue, they must be given to and retained by the seller.***

**Manufacturing** — The Manufacturing B&O tax classification is used by firms that manufacture items in Washington. Manufactured products which are used by the manufacturer, but are not sold (or are used prior to sale), are also subject to tax under this classification. The Manufacturing B&O tax is based on the value of the products which is usually determined by the selling price. In cases where there is no sale, the value is the selling price of

similar products. If the producer sells and delivers the manufactured product within the state, the income is also reported under the Wholesaling or Retailing B&O tax classification. However, because of the Multiple Activities Tax Credit, only one tax is due. See the explanation of the Multiple Activities Tax Credit on page 11.

**Service and Other Activities** — This classification is for businesses that provide personal and professional services. Any business which is not described under a particular classification of the B&O tax must report under this "catchall" category. Types of businesses and services that would fall under this category include:

- ◆ Consulting services
- ◆ Management services
- ◆ Doctors
- ◆ Lawyers
- ◆ Investment advising
- ◆ Beauticians
- ◆ Teachers

## B&O tax rates

B&O tax rates and classifications vary according to your type of business activity. Businesses may report under one or more tax classifications with varying tax rates. For instance, a floor covering store may sell carpet directly to a homeowner for his/

her use (taxed under Retailing) and may also sell carpet and tile to construction companies, which will then resell it to the home buyer (taxed under Wholesaling).

B&O tax is imposed on gross income, as such, the tax rates are much lower than traditional net income tax rates.

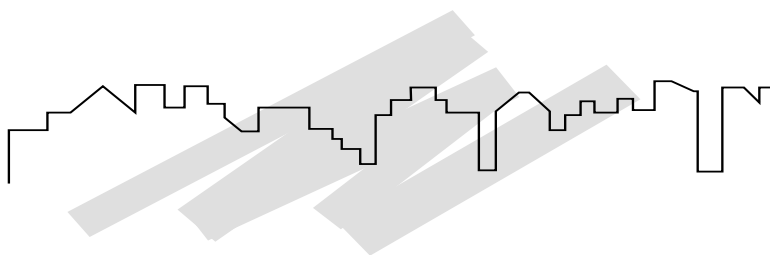
The rates for the major B&O tax classifications as of July 1, 2001 are shown below. The B&O tax rates are also printed on the Combined Excise Tax Return.

In addition to the major B&O tax classifications, there are several very specific tax classifications. Some of these have the

### MAJOR B&O TAX CLASSIFICATIONS

B&O Tax Classification	July 1, 2001
Retailing	.00471
Wholesaling	.00484
Manufacturing	.00484
Service and Other Activities	.015

same tax rate as the general classifications, but are reported on different lines on the return; others have their own unique tax rates. Without discussing each classification in detail, these specialized B&O tax classifications are shown in the chart to the right. Taxpayers conducting these activities should call the Department's Telephone Infor-



mation Center and ask for a copy of the administrative rule(s) that provide the guidelines for these activities. Please refer to page 36 (Services & Resources) for the appropriate phone number.

*Taxpayers are responsible for determining which B&O tax classification(s) they must report their income under.* If you are unsure which classification(s) your business should be reporting under, please contact the Department of Revenue. The final responsibility for proper tax reporting rests with the taxpayer.

## Other taxes on gross income

Some activities are not taxable under the B&O tax, but are covered under similar taxes based on gross income. For example, public and privately owned utilities or trucking companies which transport persons or property for hire are subject to the public utility tax instead of the B&O tax. The *Business Tax Guide* explains how to report these taxes.

## EXEMPTIONS, DEDUCTIONS, AND CREDITS

Although Washington's B&O tax applies to almost all business income, some exemptions, deductions and credits are available.

### Exemptions

The following are exempt activities and are not subject to the B&O tax and do not need to be reported to the Department of Revenue on your Combined

## SPECIALIZED B&O TAX CLASSIFICATIONS

### Classification

July 1, 2001

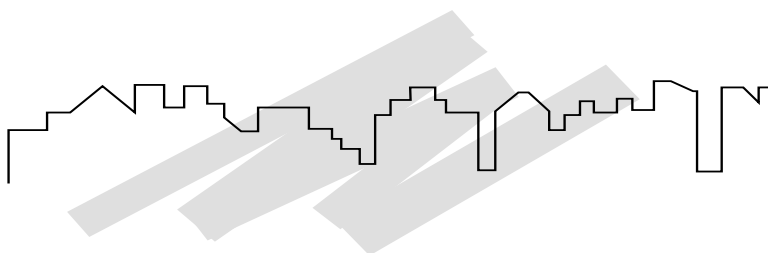
Extracting, Extracting for Hire	.00484
Slaughter, Break Proc, Perish Meat-Whlse, Mfg Wheat into Flour, Raw Seafood, Soybean & Canola Processing	.00138
Travel Agent Com; Intl Charter Freight Brokers and Stevedoring	.00275
Insurance Agents/Insurance Brokers Commis	.00484
Manufacturing Fresh Fruits and Vegetables; Splitting or Proc Dried Peas; Prescription Drug Warehousing; Manuf. Dairy Products	.00138
Processing for Hire/Printing and Publishing	.00484
Royalties; Child Care	.00484
Warehousing, Radio & TV Broadcasting, Public Road Construction/Government Contracting	.00484
Public or Nonprofit Hospitals	.015
Cleanup of Radioactive Waste for US Gov't; Environmental Remedial Action	.00471
Retailing of Interstate Transportation Equip	.00484

Excise Tax Return. If your type of business, business income or business activities are listed below as exempt and *you do not owe or collect any other taxes for the Department, you do not need to register with us.*

### Farming:

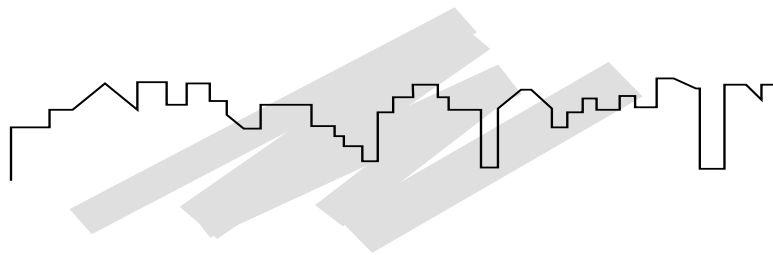
- ◆ The raising of animals, including fish, for sale at wholesale, and the raising of animals, except fish, for others;

- ◆ Raising and selling plantation Christmas trees;
- ◆ Sponsoring agricultural fairs for income;
- ◆ Producing hatching eggs and poultry used in commercial production of poultry products;
- ◆ Processing hops into extract, pellets, or powder sold to out-of-state buyers.
- ◆ Cubing hay or alfalfa.



## Nonprofit and social service organizations:

- ◆ Sales for fund-raising activities of certain nonprofit organizations. This does not include regular operation of a business enterprise such as a bookstore, thrift shop or restaurant;
- ◆ Income from nonprofit hospices which are licensed under Chapter 70.127 RCW;
- ◆ All functions of the Red Cross;
- ◆ Rehabilitation services provided to the handicapped by sheltered workshops;
- ◆ Services provided by fraternal benefit societies;
- ◆ Activities of nonprofit kidney dialysis facilities, nursing homes, and homes for unwed mothers;
- ◆ Receipt of certain government grants and tuition charges;
- ◆ Issuing bonds to provide student loans or guaranteeing federal student loans;
- ◆ Auctions conducted by public benefit organizations;
- ◆ Credit/debit services provided by nonprofit organizations;
- ◆ Blood, bone and tissue bank income not subject to federal income tax; and
- ◆ Child care provided by churches and child care resource and referral income.



## Government:

- ◆ County, city, school and fire district income, except utility or enterprise operations which are in competition with other businesses and over fifty percent funded by user fees;
- ◆ State and federal grants received by political subdivisions when no significant services are performed in return;
- ◆ Labor and services in regard to preparation of sand and gravel taken from pits that are owned or leased by a city or county and used by the city or county for purposes of road construction and repair;
- ◆ Printing done by cities, counties and school districts for their own purposes;
- ◆ The State Housing Finance Commission.

## Financial:

- ◆ International banking facilities;
- ◆ State and federally chartered credit unions.

## Miscellaneous exemptions:

- ◆ Activities performed by employees, including insurance salespeople, as defined by the Internal Revenue Code (see Section 3121 (d) (3) (B) of the Internal Revenue Code of 1986 for a definition of an employee);

- ◆ Accommodation sales at cost between sellers of the same type of tangible personal property;
- ◆ Adult family homes licensed by the Department of Social and Health Services.
- ◆ Out-of-state firms that sell consumer products in Washington exclusively through direct sellers' representatives and not via an established retail outlet;
- ◆ Ride-sharing transportation services provided for commuters and elderly or handicapped persons;



- ◆ Sale or rental of real estate other than lodging;
- ◆ Retail or wholesale sales of precious metal bullion or monetized bullion (gold, silver, etc.). Commission income from selling precious metal for others is taxable under the Service classification;
- ◆ Small timber harvesters whose gross income is less than \$100,000 per year.

## Deductions

Amounts that are deductions must be included in your gross income and then identified and subtracted as deductions. The lines explaining the deduction must be filled out on the deduction detail pages included with the Combined Excise Tax Return.



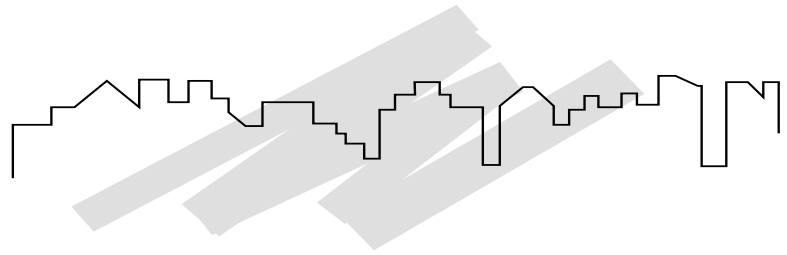
The *Business Tax Guide* lists the possible deductions for each B&O tax classification. Some examples of deductible business activities or income are:

### Farming:

- ◆ Preparing and packing fresh horticultural products when done for commercial farmers;
- ◆ Packing materials used to package fresh horticultural products for farmers;
- ◆ Interest on loans to farmers by production credit associations.

### Nonprofit and social service organizations:

- ◆ Membership fees and charges for recreational activities by youth character-building organizations;
- ◆ Business income (admissions, sales of merchandise, rental of property, etc.) of artistic and cultural organizations, and the value of articles manufactured for display purposes by those organizations;



- ◆ Federal, state, city or county payments to health and social welfare organizations.

### Government:

- ◆ Charges for services among political subdivisions;
- ◆ Payments by municipal sewerage utilities to other public agencies for processing of sewage.

### Financial institutions:

- ◆ Interest derived from first mortgage loans on residential property;
- ◆ Interest from government obligations issued by the state of Washington and its political subdivisions.

### Miscellaneous deductions:

- ◆ Bona fide initiation fees and dues (not including payment for services provided), contributions, tuition fees, proceeds of endowment funds, and charges by private day care centers;
- ◆ Investment income received by nonfinancial businesses and dividends received by a parent corporation from subsidiaries;
- ◆ Amounts received by funeral homes as reimbursement of expenditures for services rendered by others;
- ◆ Maintenance fees paid by residents of cooperative housing associations;

- ◆ Cash discounts taken by purchasers and credit losses or bad debts sustained by sellers;

- ◆ Transactions involving interstate commerce with no actual business occurring in Washington (for instance, no actual manufacturing of products in the state and no delivery of products to customers within the state);

- ◆ Minor final assembly of products principally manufactured outside of the U.S.;

- ◆ Fuel sold for use in vessels engaged in foreign commerce outside of U.S. waters;



- ◆ Amounts paid into a health insurance pool;
- ◆ Amounts received by nonprofit trade or professional organizations for attendance fees or space occupation at trade shows, conventions, or educational seminars which are not open to the public.

Businesses are not allowed to deduct the cost of doing business. For most businesses this generally includes:

- ◆ gasoline or other fuel purchases;
- ◆ wages and salaries;
- ◆ product costs; and
- ◆ delivery costs.

## Credits

Credits are amounts that have been paid to the Department of Revenue and are not due or are granted by the Legislature for specific purposes. The credit is subtracted from the B&O tax due on your Combined Excise Tax Return. Detailed instructions for reporting credits are in your *Guide to Completing the Washington State Combined Excise Tax Return*. The major B&O tax credits are:

- ◆ Small Business B&O Tax Credit;
- ◆ International Services Credit;
- ◆ Distressed Area B&O Tax Credit;
- ◆ High Technology B&O Tax Credit;
- ◆ Ride Share Credit for B&O Tax;
- ◆ Multiple Activities Tax Credit (MATC); and
- ◆ Credits for Overpayment of Taxes

### Small Business B&O Tax Credit:

The maximum credit is \$35 for monthly, \$105 for quarterly, and \$420 for annual reporters.

The small business B&O tax credit is subtracted after other B&O tax credits allowable under Chapter 82.04 RCW (MATC, High Technology B&O Tax



Credit and Ride-Sharing Credits) have been subtracted. It may not exceed the amount of B&O tax due, nor may any unused portions be carried into the next reporting period.

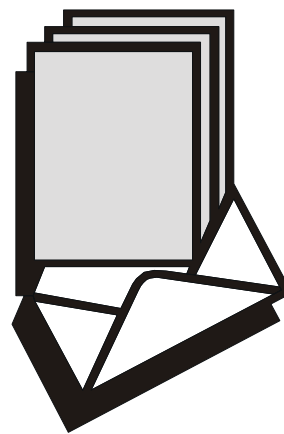
A *Small Business B&O Tax Credit Table* will be included with each Combined Excise Tax Return you receive. A sample copy of the credit table can be found on pages 67, 69, and 71.

If you need assistance in using this credit, please contact your local Department of Revenue office or call the Telephone Information Center.

### International Services Credit:

Businesses engaging in certain international services and creating and filling new employment positions in Community Empowerment Zones or contiguous designated census tracts meeting certain unemployment and poverty criteria may take the international services B&O tax credit. The business must also be located in the designated area.

The credit amount is \$3,000 per new employment position per year for up to five years. International services must be provided to persons domiciled outside the United States or be for use primarily outside this country. International services include the following: computer; data processing; information; legal; accounting and tax preparation; engineering; architectural; business consulting; business management; public relations and advertising; surveying; geological consulting; real estate appraisal; or financial services.



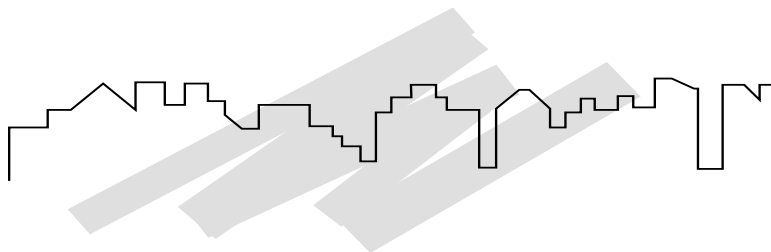
### Distressed Area B&O Tax Credit for New Employees:

This credit provides a \$2,000 credit for each new qualified employment position with annual wages and benefits of \$40,000 or less; or a credit of \$4,000 for each new employment position with wages and

benefits over \$40,000 annually, with applications approved on July 1, 1997 and after. The credit is taken against the B&O tax for each new employment position filled and maintained by qualified businesses located in eligible areas. Please refer to the *Distressed Area Business and Occupation Tax Credit for New Employees* fact sheet for more information on this credit.

### **High Technology Business and Occupation Tax Credit**

An annual credit of up to \$2 million is allowed for businesses that perform research and development in the fields of advanced computing, advanced materials, biotechnology, electronic device technology, and environmental technology. The business' spending on research and development during the year the credit is claimed must exceed .92 percent of the business' taxable amount during the same year. Although no application is required, businesses must complete the *Declaration Research and Development Credit* form and attach it to the Combined Excise Tax Return each time the credit is used. In addition, qualifying businesses must complete an Initial Survey the first time they use the credit and mail it to the address shown on the bottom of the form. Please refer to the *High Technology Business and Occupation Tax Credit* fact sheet for more information on this credit.



### **Multiple Activities Tax Credit (MATC):**

The Multiple Activities Tax Credit is available to certain manufacturers, extractors, and sellers doing business in Washington. Businesses are eligible for this credit against the state B&O tax for gross receipts taxes paid in another jurisdiction or for taxes paid on multiple activities within Washington. A sample of the *Multiple Activities Tax Credit, Schedule C* is located on page 58.

### **Credits for overpayment of taxes:**

Occasionally the Department of Revenue may determine that you have overpaid your taxes due to an error of some type. When this happens, you will be issued a Credit Memorandum for the overpaid amount. You may use this credit for any tax period after it is issued for up to five years. When the credit is used, a copy of the notice must be attached to the return.

**Note:** All fact sheets and Special Notices referenced may be ordered by using the Publication Order Form at the back of this workbook.



# RETAIL SALES TAX

**T**he retail sales tax is Washington's principal tax source. Including the related use tax, it produced nearly \$5.8 billion in state revenue during Fiscal Year 2000, which represented approximately 53.2 percent of state taxes deposited into the general fund. In addition, local retail sales and use taxes generated \$1.7 billion for local governments. The local sales tax is an important funding source for local government programs, second only to the property tax.

## Definition of a retail sale

Unless specifically exempt by law, a retail sale is every sale of tangible personal property (including articles produced, fabricated, or imprinted) to all persons. It also includes sales of services such as installation, repair, cleaning, altering, improving, construction and/or decorating real or personal property of or for consumers.

## Tax rate

The state retail sales and use tax rate is 6.5 percent. Local retail sales and use tax, with rates ranging from 0.5 to 1.9 percent, is collected by retailers along with the state tax. The local tax may contain four elements:

- ◆ An "optional" city/county tax, ranging up to an additional 0.5 percent, is used by 38 counties and all but a handful of cities;
- ◆ A retail sales and use tax for the support of local transit systems which may be levied at a rate up to 0.8 percent;
- ◆ A 0.1 percent tax for criminal justice programs which certain counties may impose with voter approval;

Other taxes (in addition to the retail sales tax) to consider:

- ◆ Regional Transit Authority (RTA) is a 0.4 percent tax that is collected on sales made in parts of King, Pierce and Snohomish counties.
- ◆ King County Food & Beverage Tax is a 0.5 percent tax that is collected on sales of food and beverage by restaurants, taverns and bars in King County.

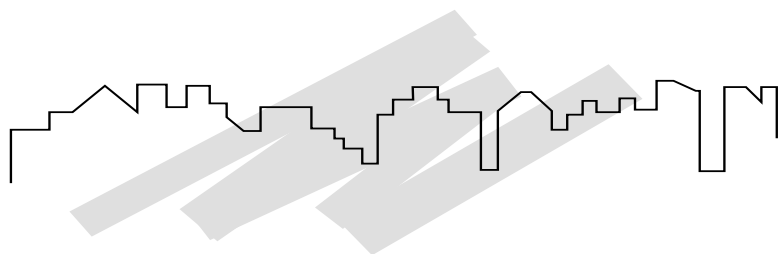
For information on other specialized taxes, please refer to *Ear-marked Taxes and Fees* on page 30.

## Distribution and use of retail sales tax

Retail sales and use tax receipts are used by the government entity that imposes the tax. The state tax is deposited in the state general fund, while city and county taxes are returned to the local governments. The city and county governments use these taxes for general expenditure programs. The transit tax must be used for the operation of local transportation systems.

Local revenues are returned to taxing districts based on the location of the sale. For sales occurring within cities, the county government receives 15 percent of both the basic and optional local sales taxes (if it levies the same rate of tax as the city), while the city receives 85 percent of the local tax receipts. Counties receive all the local revenue for sales in unincorporated areas. As reimbursement for the cost of collection, the Department of Revenue retains 1.0 to 1.5 percent of local taxes collected.

- ◆ The basic 0.5 percent city/county tax is effective in all areas of the state;





## Local coding of sales

Businesses must report state and local sales tax collections on the Combined Excise Tax Return. In order for the Department to return the correct amount of local taxes, retailers must code their sales according to all locations in which retail sales are made. To help businesses correctly report their local sales tax, the Department mails the *Tax Return Information and Local Sales and Use Tax Changes* flyer each quarter with the tax return, which lists all local jurisdictions, their location codes, and the current local tax rates. The Department also provides Geographic Information System on its web site. (See page 17 for more information.)

Sales of goods and merchandise are coded to the location of the retail outlet or place at which or from which delivery is made. For most retailers, this is the location of his or her place of business. However, businesses making deliveries from their warehouse directly to their customers will use their warehouse location for local tax coding and rate purposes. Labor and services are coded according to where they are primarily performed. If an installation charge is normally added to the cost of an item, the entire charge for that item is coded to the site where it is installed. If the buyer picks up the item in person, the sale is coded to the retail outlet where the item was obtained.

If goods are being delivered into Washington from a point outside of the state and a local instate facility, office, outlet, agent or other representative participates

in the transaction in some way, the location of the local instate facility, etc., will determine the place of sale for purposes of the local sales tax. If there is no local facility, etc., the location of the customer will determine the location code.

Local sales tax on the **lease or rental** of tangible personal property depends upon whether the lease/rental involves periodic payments. If a single payment is made, the lessor's place of business determines the application of the local tax. If the item is leased for an extended period of time and the lessee contracts to make periodic payments, the local sales tax is coded as follows: 1) leases for business purposes will be coded to the lessee's principal place of business and 2) leases to private individuals will be coded to the lessee's place of residence.

## Examples of retail sales

State law defines those transactions that are subject to the retail

sales tax. The tax is imposed on tangible personal property purchased by consumers for their own use, not for resale or to be used as an ingredient in producing an article for resale. A variety of services are taxable, including the improvement of real or personal property, amusement and recreational businesses as well as certain other personal services and activities, including lawn maintenance and physical fitness activities. Personal and professional services are generally excluded from sales tax.

The following transactions are just a few examples of retail sales subject to sales tax.

### Construction Services:

- ◆ Installing, repairing, cleaning, improving, constructing and decorating real or personal property for others.
- ◆ Construction and improving new or existing building and structures.



- ◆ Cleaning, fumigating, razing or moving structures, including painting and papering, cleaning and repairing furnaces and septic tanks, and snow removal.
- ◆ Clearing land and moving earth.



- ◆ Charges for materials used by public road contractors and other government contractors while constructing or repairing interstate highways and county and city roads.
- ◆ Charges for materials used by contractors while constructing or repairing structures for the federal government and local housing authorities.
- ◆ Landscape maintenance and horticultural services (excluding farmers).
- ◆ Renting equipment with operators.

#### Personal Services:

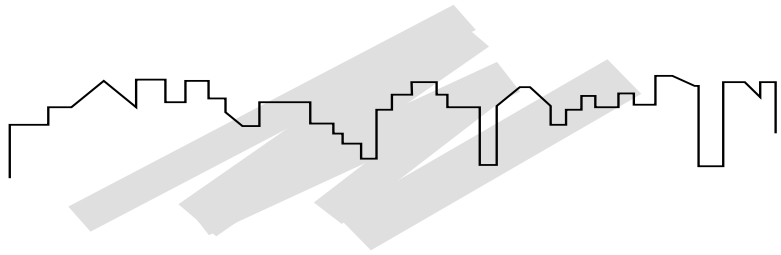
- ◆ Physical fitness activities.
- ◆ Tanning.
- ◆ Tattooing.
- ◆ Turkish and steam baths, including hot tubs.
- ◆ Dating and escort services.
- ◆ Charges for lodging and the used of real property for periods of less than one month by hotels, motels, and similar establishments which provide accommodations.

#### Recreation Services:

- ◆ Amusement and recreational businesses, including golf, billiards, bowling and similar activities.

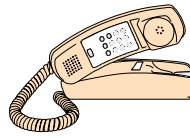


- ◆ Service charges on tickets to professional sporting events.
- ◆ Day trips for sight seeing.



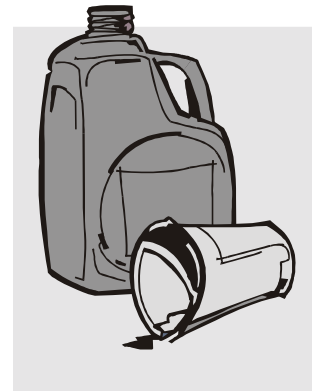
#### Miscellaneous Services:

- ◆ Towing and parking automobiles.
- ◆ Renting or leasing tangible personal property.
- ◆ Competitive and network telephone services.
- ◆ Charges for tangible personal property purchased by businesses subject to business and occupation tax under the service and other classification.
- ◆ Charges by abstract, title insurance, escrow and credit bureau businesses, including tenant screening services.



#### Family Consumer Expenditures:

- ◆ Food products for human consumption, including livestock for personal use, that are not sold in a way which requires the seller to have a food handler's permit;



## SALES TAX EXEMPTIONS, CREDITS AND DEFERRALS

In addition to exclusions from the definition of retail sale, the law contains many exemptions, credits and deferrals.

### Exemptions

The following sales tax exemptions must be included in your gross income on the Combined Excise Tax Return and then identified and subtracted as a deduction.

- ◆ Medicine, drugs, oxygen and oxygen concentrators, orthotic devices, birth control medications and devices, and lenses prescribed by licensed physicians;
- ◆ Insulin, prosthetic and ostomic devices;
- ◆ Orthotic devices prescribed by podiatrists;
- ◆ Hearing aids and parts prescribed by licensed dispensers;
- ◆ Medicine prescribed by licensed naturopaths;
- ◆ Returnable food and beverage containers;
- ◆ Local network telephone service for residential customers and coin-operated telephone service;

- ◆ Newspapers; and
- ◆ Taxable food products purchased with food stamps.

### Nonprofit Organizations:

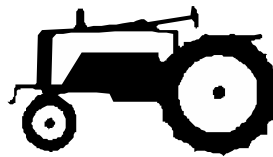
- ◆ Free hospitals;



- ◆ Purchases of medical supplies, chemicals and materials by blood, bone and tissue banks;
- ◆ Materials used by health or social welfare organizations for construction of alternative housing for youth crisis. Must be a licensed agency under RCW 74.15 to care for children, expectant mothers, and developmentally disabled youth;
- ◆ Magazine sales by schools and nonprofit youth organizations for fund raising purposes;
- ◆ Purchases by the Red Cross;
- ◆ Vehicles used in ride-sharing programs;
- ◆ Amusement and recreational services provided by youth organizations;
- ◆ Purchases by cultural organizations of art objects for display and items used in creating and displaying art and in presenting cultural performances;
- ◆ Annual auctions conducted by public benefit organizations; and
- ◆ Sales for fund-raising activities of certain nonprofit organizations. This does not include regular operation of a business enterprise such as a bookstore, thrift shop or restaurant.

### Sales to Nonresidents or Interstate Commerce:

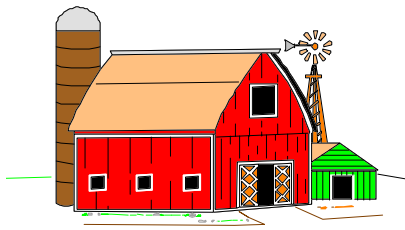
- ◆ Tangible personal property used by air, water and rail carriers in conducting interstate or foreign commerce;
- ◆ Airplanes, locomotives, railroad cars, vessels, motor vehicles and trailers used in interstate or foreign commerce and component parts and repairs;
- ◆ Sales of motor vehicles, trailers, campers, watercraft and farm machinery to nonresidents (with limitations on use in Washington prior to export);
- ◆ Repair of farm machinery that is used exclusively outside of the state. This includes parts and labor in conjunction with the repair service;
- ◆ Items for use in Alaska, Hawaii and territories of the United States, if delivered for direct shipment out of state; and
- ◆ Sales of products for use outside Washington to residents of states, Canadian provinces or U. S. territories that impose a sales tax of less than three percent. (NOTE: This exemption is available to residents of Alaska, Delaware, Montana, New Hampshire, Oregon, Guam, North Mariana Islands, Puerto Rico, Samoa, Virgin Islands, and the



Canadian provinces of Alberta and the Yukon.) The nonresident is required to show the retailer one piece of identification containing a picture for identification purposes and to verify residency of one of the qualifying states or provinces. Retailers are not required to make such exempt sales.

### Government Activities:

- ◆ Sales the state is constitutionally prohibited from taxing, such as direct purchases by the federal government, sales by the military on federal bases, purchases by enrolled Native Americans on their own reservations;
- ◆ Intergovernmental transfers of public utilities;
- ◆ Purchases by the state and political subdivisions for watershed protection and flood control, if the costs are reimbursed by the federal government;
- ◆ Sand or gravel taken from a city or county pit for use in the construction and repair of public roads by the city or county's own employees;
- ◆ Transfers between political subdivisions relating to annexations or incorporations;
- ◆ Construction and repair of ferry boats for the state and political subdivisions; and
- ◆ Sales of fuels for marine use to the state ferry system.

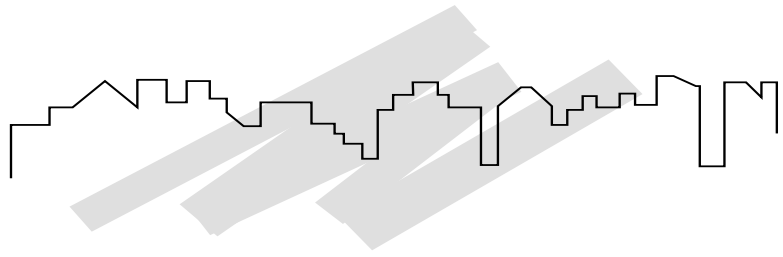


### Agricultural Activities:

- ◆ Auction sales held on farms;
- ◆ Poultry, cattle and milk cows used on farms, purebred breeding livestock, and semen used in the artificial insemination of livestock;
- ◆ Pollen and pollination agents (such as leaf cutter bees) sold to farmers;
- ◆ Leased irrigation equipment (leased with the land), upon which sales tax was already paid by the lessor;
- ◆ Feed for commercial raising of fish; feed for livestock held by auctions or livestock markets;
- ◆ Sales of seeds, seedlings, fertilizers, and spray materials used in the production of plantation Christmas trees; and
- ◆ Sales of seeds, fertilizers and spray materials to turf farmers.

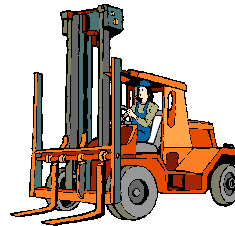
### Miscellaneous Sales Tax Exemptions:

- ◆ Sales by public utilities that are taxable under RCW 82.16, such as electrical energy, natural gas, water, transportation services, etc.;
- ◆ Rentals of production equipment and sales of production services to motion picture companies or video production businesses where the motion picture or video tape will be exhibited or sold or broadcast by someone other than the company producing it. (Does not apply to the production of erotic material.);



- ◆ Sales of machinery and equipment, including cogeneration and pollution control equipment **and** repair and replacement parts having a useful life of at least one year, used directly in a manufacturing operation. This exemption also applies to the labor and services

involved in the installation, repair and maintenance of the machinery and equipment. (For more information, refer to the *Manufacturer's Sales/Use Tax Exemptions* fact sheet);



- ◆ Certain construction costs, including materials, labor and services associated with construction of warehouses and grain elevators, are exempt from sales tax. The warehouse must be 200,000 or more square feet and grain elevators must have at least 1 million bushels of storage capacity. The exemption covers either 50 percent or 100 percent of the construction costs, depending on size. This exemption does not cover local sales tax paid, only the 6.5 percent state sales tax. (Refer to the Special Notice – *Warehouse Sales Tax Exemption*);
- ◆ Motor vehicle fuel that: (1) is subject to gasoline tax, i.e. is used on public highways; (2) is used in public transportation; (3) is used by private nonprofit providers of transportation services to the elderly and handicapped; or (4) is used to develop and test aircraft;

- ◆ Diesel fuel used in commercial deep sea fishing and deep sea charters;
- ◆ Form lumber used by contractors in molding concrete which is incorporated into the same structure;
- ◆ Apparel used for display purposes;
- ◆ Alcohol fuel used in vehicles and farm machinery;
- ◆ Sales of used mobile and floating homes which remain attached to the realty, upon which sales tax was previously paid, and the rental of mobile homes for more than 30 consecutive days;
- ◆ The value of personal property accepted by sellers as a trade-in upon purchase of like-kind items;
- ◆ Precious metal or monetized bullion; and
- ◆ Materials used in aircraft prototypes. Only for businesses who gross less than \$20 million per year. Limited to \$100,000 in tax per year.

## Credits

### Bad Debt Tax Credit (Schedule B):

Bad debt tax credit is allowed for retail sales tax which has been remitted to the Department, but has become worthless or uncollectible and written off for IRS purposes. Completion of Schedule B is necessary if the sales tax rate at the time of sale is different from the rate on the tax return.

## Deferrals

### Distressed Area Sales/Use Tax Deferral Program

The Distressed Area Sales/Use Tax Deferral Program grants a deferral of sale/use tax for manufacturing, research and development, or computer-related businesses (excluding light and power businesses) locating in specific geographical areas.

The sales/use taxes on qualified construction and equipment costs, including qualified building, qualified machinery and equipment, and labor services rendered in the planning, installation and construction of the project are waived when all qualifications are met for a specified period of time. An application must be filed with the Department of Revenue PRIOR to initiation of construction or taking possession of machinery or equipment.

A B&O tax credit is available to businesses that have received approval for the Distressed Area Sales/Use Tax Deferral Program and who provide employee job training at no cost to their employees. For more information on this program, refer to the *Distressed Area Sales/Use Tax Deferral* fact sheet.



### High Technology Sales/Use Tax Deferral

A High Technology Sales/Use Tax Deferral is offered to businesses involved in advanced computing, advanced materials biotechnology, electronic device technology, and/or environmental technology. The businesses must start new research and development or pilot scale manufacturing operations, or expend or diversify a current operation by expanding, renovation or equipping an existing facility anywhere in Washington.

For more information, refer to the *High Technology Sales/Use Tax Deferral* fact sheet.

**Note:** All fact sheets and special notices referenced may be ordered by using the

Publication Order form at the back of this workbook.

### Sales tax collection procedures

Tax liability must be reported for all sales made during the reporting period on either the accrual or cash receipts basis of accounting. Sellers are personally liable for remitting the correct amount of tax, even if they did not collect the proper amount from the purchaser. All amounts collected are legally considered trust funds of the state.

Retail sales tax applies to the selling price of taxable transactions and must be separately stated on the billing to the customer. The advertised price may include the amount of tax, if so indicated in the advertisement.

Upon request, the Department will provide collection rate schedules indicating the amount of combined state and local tax for each selling price. Sellers must use the correct schedule for each location in which sales are made.

### Revenue's Geographic Information System (GIS)

If you are unsure of the location code and tax rate for a specific location, take advantage of the Department of Revenue's Internet-based Geographic Information System (GIS). Using the GIS's lookup feature is easy. Simply enter the U.S. Postal Service address and the system automatically searches for and identifies the proper location code and tax rate. The mapping feature also allows you to pinpoint a location on the state map. For locations in King, Pierce, and Snohomish counties, GIS identifies whether the location is within the Regional Transit Authority (RTA) boundaries. To access GIS, simply visit <http://dor.wa.gov>.

# RESALE CERTIFICATES

**A**ll sales of tangible personal property and certain services (such as contracting) to or for customers in Washington are subject to the retail sales tax unless they are specifically exempted by law. One of the most frequently used exemptions from the retail sales tax is the purchase of goods or services for resale.

Any business operating in Washington that makes purchases for resale, must complete and give a resale certificate to the seller. If not, the seller is required to charge the buyer retail sales tax on the total purchase.

This section provides general information about the resale certificate - what it is, how it is used, and what would happen if it is misused. This section does not cover every aspect and use of the certificate. In addition, it does not change or overrule any administrative regulations or rulings issued by the Department of Revenue.

## What is a resale certificate?

A resale certificate is a signed statement from a buyer to a seller. This document substantiates the wholesale nature of a sale. Sellers do not collect sales tax when they accept a resale certificate.

## Reasons for using a resale certificate

A business may only complete a resale certificate for purchases of the following property or services:

1. For resale in the regular course of business, without intervening use by the buyer; or
2. An ingredient or component part of a new article of tangible personal property produced for sale; or
3. Chemicals used in processing an article produced for resale; or
4. For use in processing ferrosilicon which is subsequently used in producing magnesium for sale; or
5. To be provided to consumers as part of competitive telephone service; or
6. Feed, seed, seedlings, fertilizer, spray materials, or agents for enhanced pollination, including insects such as bees, for use by a farmer for producing for sale any agricultural product; or use in

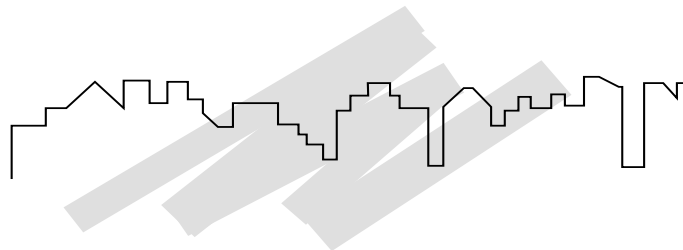
the federal conservation service program or its successor administered by the United States Department of Agriculture.

When goods or services are purchased for the reasons stated above, the buyer must give the seller a fully completed resale certificate. *Resale certificates should not be sent to the Department of Revenue.*

## Purchases for dual purposes

Many times a business will withdraw items purchased for resale from inventory for its own use. For example, an office supply store selling office supplies may also use some of these items to operate the store. Another example would be a supermarket using products taken from inventory to clean the store. In these instances, the business is making purchases for dual purposes, that is, partly for resale and partly for its own use.

Buyers making purchases for dual purposes must purchase according to the general nature of their business. If the item purchased is principally resold, the buyer may issue a resale certificate for the entire purchase.





The use tax must be paid on any items withdrawn from inventory and used by the business. If the item purchased is principally used by the business, a resale certificate should not be given and retail sales tax should be paid. The business may then take a tax paid at source deduction for items resold at retail.

Another type of business that frequently makes purchases for dual purposes is a contractor, who does both speculative and custom building. Speculative builders are required to pay the retail sales tax on all material and subcontract labor that is used for the construction. Custom builders purchase material and subcontract labor for resale, and charge the customer retail sales tax.

When the contractor purchases material and does not know if it will be used for a speculative or custom building, the resale certificate must be used as follows:

If the majority of the contractor's business is speculative building and only a minor part is custom building, the contractor pays the retail sales tax on the total purchase. A resale certificate should not be used. If any of this material is incorporated into a custom building, the contractor can take a deduction for tax paid at source on the Combined Excise Tax Return. The deduction is for the cost of material on which the retail sales tax was paid and incorporated into a custom building.

If the contractor does mostly custom building and very little

speculative building, then it may use a resale certificate for the total purchase. If some of the material is used on a speculative building, use tax is due on the cost of the materials used. The use tax is paid on the Combined Excise Tax Return.

If you have any questions about using a resale certificate for your own or a customer's purchase, please call the Department of Revenue's Telephone Information Center.

## Responsibilities and liabilities

**SELLER** — A seller must receive a fully completed resale certificate at the time of sale, or within a reasonable time (120 days) after the sale. A fax or copy of the original certificate may be accepted. If the seller does not receive a resale certificate, the seller **MUST** charge the customer retail sales tax.

If the resale certificate is not obtained within the reasonable time specified, the seller is required to amend its Combined Excise Tax Return. The amended return should change the sale from a wholesale sale to a retail sale and report the retail sales tax. If the buyer does

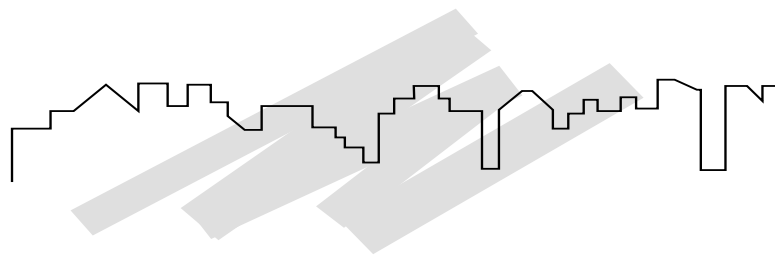
not pay the retail sales tax, the seller may attempt to collect it through legal means. The Department of Revenue will look to the seller for the retail sales tax.

However, if the seller can provide proof to the Department that the sale was a wholesale sale, without the resale certificate, the Department will not require the seller to pay the retail sales tax.

Proof may consist of:

1. The nature of the buyer's business.
2. The quantity and frequency of items sold.
3. Any available documents, such as purchase orders and shipping instructions that may help prove that the items were for resale.

The seller must accept the resale certificate in good faith. The seller should use prudent judgment at the time of sale and attempt to determine if a buyer will actually resell the items or services. For example, a person purchases several silk plants and



provides a resale certificate. The type of business listed on the resale certificate is “physician.” A question should immediately arise as to whether the physician will resell the plants or use them for office decoration.

The seller has the right to deny a retail sales tax exempt sale, if the seller feels the buyer is not going to resell the items.

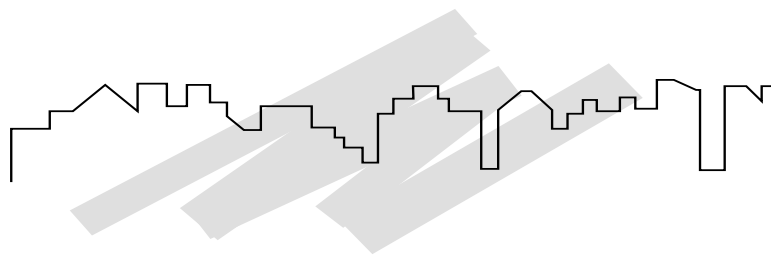
**BUYER** — Buyers must use the resale certificate to purchase items or services for resale or any of the other reasons listed at the beginning of this section. Purchases made with the use of a resale certificate for any other reason are not permitted.

Buyers must understand that if they use the resale certificate to purchase items or services for their own use, without paying the retail sales tax, they will be assessed a penalty of fifty percent of the tax due on the improperly purchased item or service. This penalty will be in addition to any other taxes, penalties or interest due on the purchase.

Penalties will be assessed on improper use, which is why the following or a similar statement must be on each resale certificate:

I acknowledge that I am solely responsible for purchasing within the categories listed. I acknowledge that misuse of the resale privilege claimed by use of this certificate subjects me to a **penalty of 50 percent of the tax due**, in addition to the tax, interest, and any other penalties imposed by law.

This penalty is assessed by the Department of Revenue only against the buyer.



Examples of improper purchases using a resale certificate are:

XYZ, a hotel, purchases linens for its hotel rooms using a resale certificate. XYZ does not resell the linens.

ABC, seller of containers, purchases pallets to use for storing and moving the containers in its warehouse using a resale certificate. ABC does not sell the pallets, since they are for ABC's own use in the warehouse.

Both of these businesses should not use a resale certificate for such purchases. They must pay the retail sales tax at the time of purchase. If these situations are discovered in an audit, the businesses would be assessed the 50 percent penalty, along with the tax, interest and delinquent penalties otherwise due.

## Types of certificates: Single or blanket use

A resale certificate is required when goods or services are purchased for resale, or any of the other purposes listed on page 20. For purchases from the same seller(s) on a regular basis, a blanket resale certificate may be used. The resale certificate must be given to the seller by the buyer at the time of purchase, or within a reasonable time (120 days).

Resale certificates may be faxed to the seller prior to, or within 120 days after, the purchase. Faxed

certificates are considered acceptable by the Department.

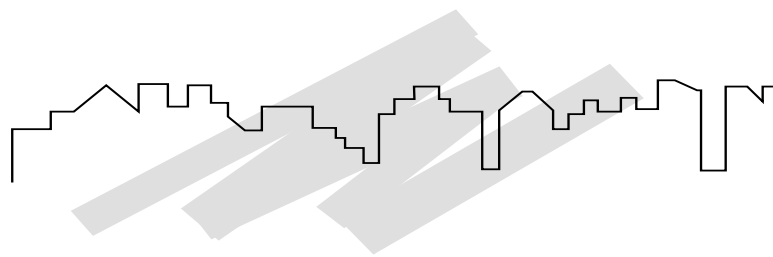
**SINGLE-USE** — A single-use resale certificate is given to the seller at the time of the purchase for a specific purchase only. The seller must keep the certificate or a copy of the certificate in its records for five years after the certificate is received.

In a single-purchase situation, the information from the certificate may be written or stamped on the purchase order or invoice. The language should be the same as written on the actual certificate, including the penalty acknowledgment statement. The buyer must sign the purchase order or invoice. This invoice must be kept by the seller in the same manner as the resale certificate.

**BLANKET CERTIFICATE** — A blanket certificate (valid for four years), is the same certificate as the single-use certificate, except that a statement should be added that the certificate shall be considered a part of each future order. Both the buyer and the seller understand that the buyer will be making purchases of the same items for resale on a regular basis. The blanket resale certificate may be used for four years before it must be renewed. The renewal date is four years from the date the certificate is completed.



The seller must keep the resale certificate in its records for a period of five years after the last use of the certificate.



## **Sales to persons who do not have a Unified Business Identifier (UBI)/Tax Reporting Account (TRA) number**

On occasion, someone will not have a Washington UBI/TRA number and will want to make a retail sales tax exempt purchase for resale. Such sales may be made under certain circumstances.

**NONPROFIT ORGANIZATIONS** — Qualified nonprofit organizations conducting periodic fund raising activities which do not constitute the operation of a regular place of business are exempt from tax and are not required to have a UBI/TRA number. The term "fund raising activity" means directly soliciting money or other property, or selling goods or services for cash to further the nonprofit organization's goals. It does not include the ongoing operation of a regular place of business in which sales are made during regular hours, such as a book store, thrift shop, restaurant or similar business. However, fund raising activities can be disassociated from regular business activities when the fund raising activity is not done at a regular place of business during regular hours.

Qualifying nonprofit organizations making purchases for resale for tax exempt fund raising

purposes must provide the vendor with a properly executed resale certificate. Organizations not required to register with the Department of Revenue should indicate on the resale certificate that they are a qualifying nonprofit organization and the items will be resold at a tax exempt nonprofit fund raiser. To receive a Special Notice containing the criteria for qualified nonprofit organizations, contact the Telephone Information Center.

**FARMERS** — Farmers are not required to register with the Department of Revenue unless they sell their products at retail. Farmers who sell products at either wholesale or retail are entitled to make purchases of feed, seed, seedlings, fertilizer, spray materials or agents for enhanced pollination, such as bees, without paying the retail sales tax on these items.

If farmers do NOT have a UBI/TRA number, they should still complete the resale certificate (single-use or blanket) and not enter the UBI/TRA number. They must mark the box "for use as feed, seed, seedlings, fertilizer, or spray materials in my capacity as farmer."

Farmers who make purchases for their own use and do not sell their agricultural products are not entitled to use a resale

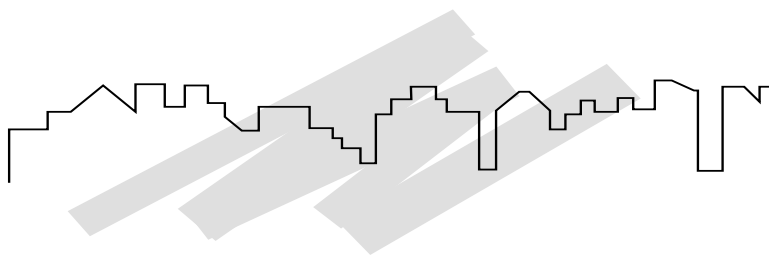
certificate. Such persons must pay retail sales tax on all their purchases of feed, seed, etc.

**OUT-OF-STATE BUSINESSES** — Out-of-state businesses which do not operate in Washington are not required to obtain a UBI/TRA number. Such businesses may make purchases from Washington sellers, stating that the purchases are for resale. These out-of-state buyers must complete the same resale certificate (single-use or blanket). The resale certificate should be completely filled out with the exception of the UBI/TRA number. The registration number is not required if the business is not required to be registered in this state. If the business has a registration number from the state in which it is located, that number and the state should be put on the resale certificate. If there is no number, the line should be left blank. The buyer's address will show that they are an out-of-state business.

## **Completing the resale certificate**

Resale certificates come in many forms. They may be purchased from business stationery stores or created to meet the specific needs of a business. In every case, certain information is required on the certificate. A copy of the approved certificate is shown on page 23.

The resale certificate must contain the following specific information for it to be valid. Please refer to the copy of the resale certificate as the requirements are reviewed.



1. **NAME OF SELLER** — Name of the business making the sale.
2. **NAME OF BUYER/BUSINESS** — Registered name of the business, such as John Jones Corporation or John Jones d/b/a Jones Construction.
3. **ADDRESS OF BUYER** — Actual mailing address of the buyer.
4. **BUYER'S UBI/TRANUMBER** — Nine-digit number that usually starts with 600, 601, or 602. In some cases, with well-established accounts, the number may start with some other three numbers. With some older accounts, there may not be nine digits. Out-of-state business numbers may start with 409. This number is found on the master business license or Combined Excise Tax Return.

Whenever you are in doubt about a UBI/TRA number, please call the Department of Revenue's Telephone Information Center and ask to verify the number.

See the information under SALES TO PERSONS WHO DO NOT HAVE A UBI/TRANUMBER for treatment of buyers without a number.

5. **BUYER IS IN THE BUSINESS OF** — The specific type of business the buyer is operating, such as electrical contractor, clothing sales, sales of general merchan-

dise, grocery store, manufacturer of paper products, appliance repair, auto sales and repair, etc.

6. **TYPES OF ITEMS PURCHASED FOR RESALE** — These items or services should be directly related to the type of business described above. Each individual item does not have to be identified. A general description will meet the requirements. For example, the electrical contractor may list items as wiring and other electrical supplies. The auto sales and repair shop may list its purchases as automotive paint, parts, or oil and other lubricants.

**REASONS** — Any one, or combination, of the reasons for using the resale certificate may be used. Which one(s) is or are completed depends on the type of business operated. Most businesses will make purchases "for resale in the regular course of business." The reasons match the exemptions listed on page 20 and are self-explanatory.

**PRINT NAME** — After marking the reason for using the resale certificate, the person authorized to make the purchase(s) must print his/her name.

**SIGNATURE** — The authorized person is required to sign the certificate. (The same person who printed their name.)

The authorized person may be

the business owner, a corporate officer, a partner or any employee of the company authorized to make the purchase. This *authorized person does not have to be the person presenting the certificate to the seller*. For instance, the bookkeeper will sign the certificate and give it to another employee or a contractor to present to the seller and make the purchases.

If the seller knows the purchaser is a representative or employee of the company, the sale can be completed. If the seller does not know the person wishing to buy items under the authority of a resale certificate or has any doubts about the purchase, the seller should call the business and verify that the person is, in fact, authorized to make such purchases.

**EFFECTIVE DATE** — The date the certificate is first used must be entered. This date is used to determine when the certificate expires and how long it must be kept in the seller's records.

Remember, a properly completed resale certificate protects both the buyer and the seller. See the section titled RESPONSIBILITIES AND LIABILITIES for more information about when the buyer and/or seller may be responsible for the retail sales tax and/or penalties for incorrect or misuse of resale certificates.

# USE TAX

**M**any residents do not realize that there are Washington tax obligations for goods purchased or otherwise acquired without payment of the sales tax. For instance, even though you don't pay sales tax when you shop in Oregon, your purchases are subject to use tax when you bring them into Washington.

Washington citizens also have use tax obligations in this state when they purchase items in other states which have a sales tax rate lower than Washington's.

Unpaid use tax costs our state and local governments millions of dollars in revenues each year. When even a few people fail to pay their use tax obligations, we all lose. The state must find other sources of revenue to pay for the level of service that Washington residents expect and deserve. Additionally, projects and special programs that receive their funding through the local government portion of the use tax are also hindered.

## Use tax

Use tax is a tax on the use of goods in Washington when sales tax has not been paid.

When you make a retail purchase in this state, you usually pay sales

tax. You pay the sales tax to the seller who in turn pays it to the Department of Revenue. There are many instances when Washington's sales tax is not paid on purchases. In most of these situations, the use tax is due.

Consequently, goods used in this state are subject to **either** the sales or use tax, **but not both**, unless specifically exempted. The tax applies regardless of where, or from whom, the property is purchased. Thus, the use tax compensates when sales tax has not been paid.

## Use tax is due when:

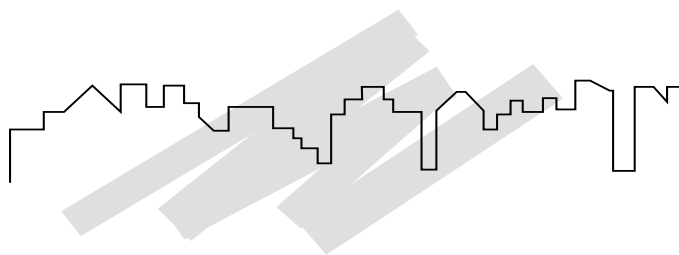
- ◆ Goods are purchased in another state that does not have a sales tax or a state with a sales tax lower than Washington's.
- ◆ Goods are purchased from someone who is not authorized to collect sales tax. For example, when you purchase furniture or appliances from an individual through a newspaper classified ad or a yard/garage sale.



- ◆ Goods are purchased out-of-state by subscription, through the internet or from a mail order catalog company. Many of these companies do collect Washington's sales or use tax. However, if the company does not collect either tax, you owe the use tax.
- ◆ Personal property is acquired with the purchase of real property, with the exception of machinery and equipment used in a manufacturing process which may qualify for the manufacturer's Sales/Use Tax Exemption.

## Use tax (or sales tax) is *not due* when the goods purchased are:

- ◆ For resale within the normal course of business without intervening use;
- ◆ To be used as an ingredient or component part of a new article of tangible personal property produced for sale;
- ◆ A chemical to be used in processing an article to be produced for sale;
- ◆ Feed, seed, seedlings, fertilizer, spray materials, or agents for enhanced pollination, including insects such as cutter bees, for use by a farmer in producing agricultural products for sale; or use in the federal conservation service program or its successor administered by the United States Department of Agriculture;



- ◆ For use in processing ferrosilicon which is subsequently used in producing magnesium for sale; or
- ◆ Machinery and equipment, including cogeneration and pollution control machinery and equipment, used directly in a manufacturing operation.

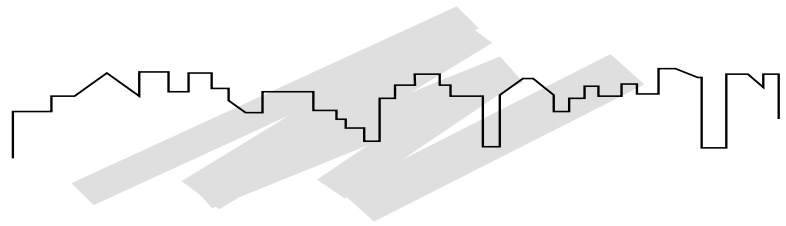
## Use tax due date

Under state law, the use tax is due when the goods are first used in Washington. For example, you are on vacation in Oregon and purchase new ski equipment. You use the equipment while on vacation. When you return to Washington, the use tax is due on the value of the equipment, by the 25th of the next month.

## Taxable amount and rates

The use tax rates are the same as the sales tax rates and can be found in our *Tax Return Information and Local Sales and Use Tax Changes* flyer. Our flyer, also known as the LSU flyer, may be obtained by calling our Telephone Information Center or via the Internet at <http://dor.wa.gov>.

Use tax, unlike sales tax, is due at the rate where you first use the article, not where the sale takes place. The state portion of the tax is 6.5 percent throughout the state with local governments imposing their own additional



use tax. Depending on the rate of local tax, the combined use tax rates range from 7 percent to 8.8 percent.

For example, you live in Goldendale, Washington, and purchase a computer in Portland, Oregon. The use tax rate due on the purchase price of the computer is 7.5 percent. However, if you live in Seattle, the rate of use tax is 8.8 percent because of the higher local rate.

Use tax is figured on the value of the goods when first used in Washington, which is generally the purchase price. A depreciated value may be used if the goods are used outside the state for a lengthy period of time before used in Washington by the same person.

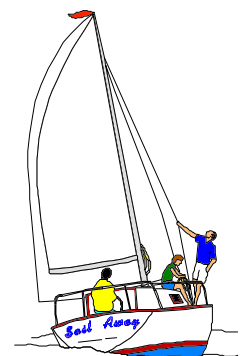
The value of the goods does not include transportation or shipping/handling charges.

## Credits, trade-ins and exemptions

**Credits** — When you bring goods into Washington that you purchased in another state and paid sales tax on at the time of the purchase, you can receive a credit for this tax by subtracting the amount of sales or use tax you paid from the amount you owe. However, you must have proof, such as an invoice or bill of sale, that the tax was paid in the other state.

**Trade-ins** — If you purchase goods in another state and trade-in a like-kind item to reduce the amount you pay for the goods, use tax is due only on the amount due after the value of the like-kind trade-in is subtracted. For example, you purchase a car in another state with a purchase price of \$5,000. The dealer accepts your current car as a trade-in valued at \$2,000. Therefore, you owe Washington use tax on \$3,000 at the rate in effect where you garage the car (normally your residence). **NOTE:** If the dealer gives you \$2,000 cash instead of subtracting that amount from the new car price, then you have not traded-in your vehicle and use tax is due on the full \$5,000 price of the new vehicle.

**Exemptions** — Persons who are residents of another state and move to Washington are exempt from the use tax on their household goods, personal effects, and motor vehicles, if they acquired the property more than 90 days prior to the move to Washington. Boats, motor homes, trailers, and other RV equipment do not qualify as motor vehicles or personal effects. These items

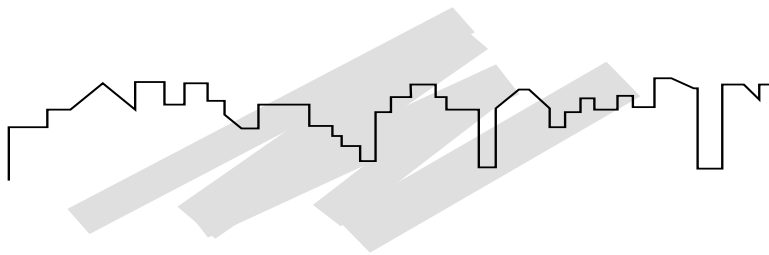
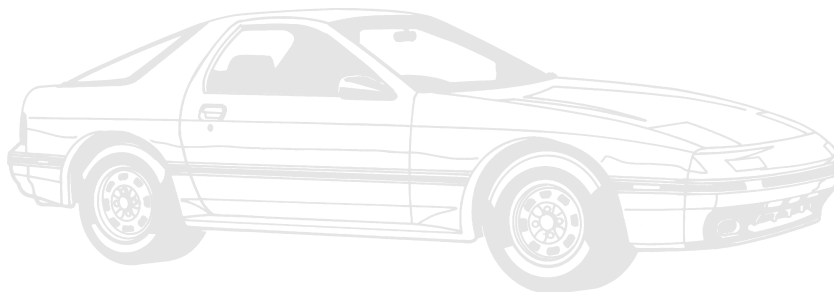


are subject to use tax even if acquired more than 90 days prior to moving to Washington. A credit, in the amount of sales/use tax that was previously paid on the non-exempt item, can be used to offset the amount of Washington use tax owed. Proof of previously paid sales/use tax must be provided.

*Certain other products purchased for specific reasons are also exempt from the use tax. These exemptions are very specific and too numerous to list in this publication. See Washington Administrative Code (WAC) 458-20-178 or Revised Code of Washington (RCW) 82.12 for more information.*

## Leased goods

Goods leased from a company outside of Washington and used in Washington are subject to sales or use tax. Many of the out-of-state businesses that lease goods to Washington residents are registered to do business in Washington and will collect the sales tax on lease payments. However, if the lease company does not charge the sales tax, you need to pay use tax directly to the Department of Revenue on the amount of the lease payment. The applicable tax rate is based upon the principle location of the goods, such as your residence or office.



## Property used in a trade or business

Use tax is due when goods are purchased for consumption or use by the business and sales tax has not been paid. Below are examples of goods often purchased without sales tax for which use tax is due:

- ◆ Supplies, fixtures, and equipment purchased from an out-of-state vendor;
- ◆ Supplies, fixtures, and equipment acquired when an existing business is purchased;
- ◆ Promotional items, such as hats, T-shirts, matches, calendars, and other items given to customers or other individuals;
- ◆ Magazine subscriptions;
- ◆ Articles manufactured by the business for its own use. If the articles are machinery and equipment used directly in a manufacturing operation, they may be specifically exempt from the sales/use tax through the Manufacturer's Sales/Use Tax Exemption;

- ◆ Materials installed when performing federal government, city/county housing authority or public road construction contracts;
- ◆ Equipment loaned to a contractor on which sales tax was not previously paid; and
- ◆ Articles withdrawn from inventory and used by the business.

## Gifts or prizes

When you receive a gift or win a prize, the use tax is due on the value of that gift or prize unless the donor has paid the sales or use tax. For example, you win a car in a raffle. Unless the donor pays the sales tax to the vendor, you must pay use tax when you license the vehicle at the Department of Licensing.



Another example is if a family member or friend gives you a gift of an expensive piece of jewelry or a vehicle. You owe use tax on the value of the gift, if the person who gave it to you did not pay the sales or use tax when they acquired it.

When items are donated to nonprofit, charitable organizations, local governments and the state, the use tax is not due, even if the donor has not paid sales or use tax on the item. The donor is also exempt from the use tax as long as there was no intervening use of the item prior to the donation.

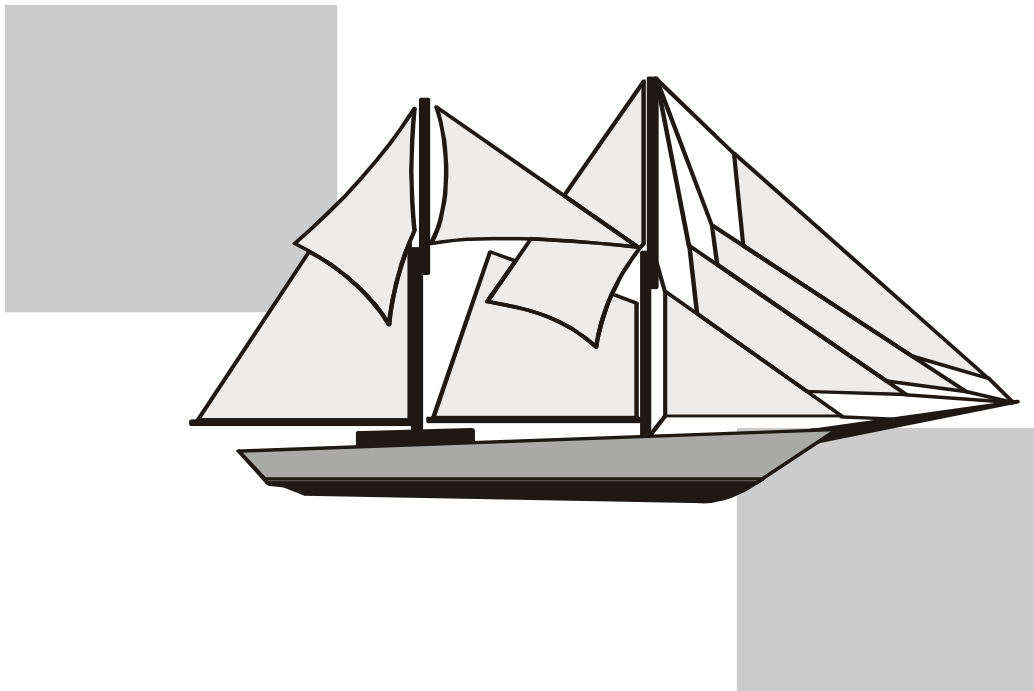
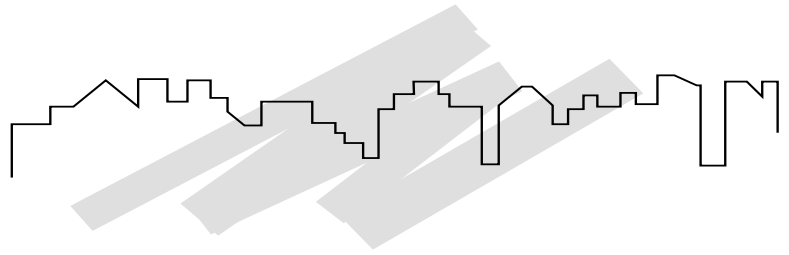
## Reporting and paying use tax

To pay use tax, complete a *Use Tax Return*, which can be obtained from any Department of Revenue office shown on the back

cover of this publication, through our web site, or via our Telephone Information Center.

If you purchase an item that must be licensed, such as a car or boat, your local County Auditor or licensing agent will collect the tax at the time of licensing.

If you are registered with the Department of Revenue as a business, you may report the use tax under the use tax sections of your *Combined Excise Tax Return* or you may use the *Use Tax Return*. Be sure to write your UBI/TRA number on the use tax return to ensure proper credit.



# PUBLIC UTILITY TAX

## What is the public utility tax?

The public utility tax is a tax assessed on the act of engaging within this state in any one or more of the businesses mentioned in Chapter 82.16 Revised Code of Washington. The business and occupation tax does not apply if a business is subject to the public utility tax.

## Common public utility tax classifications

- ◆ **WATER DISTRIBUTION** — Operation of a plant or system for the distribution of water for hire or sale.
- ◆ **SEWER COLLECTION** — Collection of sewerage.

◆ **POWER** — Operation of a plant or system for the generation, production, or distribution of electrical energy for hire or sale. The tax is levied on the person making the final distribution within the state.

◆ **GAS DISTRIBUTION** — Operation of a plant or system for the production or distribution, for hire or sale, of natural and/or manufactured gas.

◆ **MOTOR TRANSPORTATION** — Operation of any motor propelled vehicle by which persons or property of others are moved for hire.

◆ **RAILROAD, RAILROAD CAR** — **Railroad:** Operation of any railroad or

carrying property for public hire on the line of any common carrier operated in this state.

**Railroad Car:** Rental, lease, or operation of cars used for transportation of property or persons upon the line of any railroad operated in this state when such railroad is not owned or leased by the person engaging in such business.

◆ **URBAN TRANSPORTATION** — Operation of any motor propelled vehicle by which persons or property of others are moved for hire in urban areas.

Rules dealing with the public utility tax include: Washington Administrative Code (WAC) 458-20-179 and 458-20-180.

## Below minimum reporting for public utility tax

Public utility tax

Monthly .....	\$2,000
Quarterly .....	\$6,000
Annually .....	\$24,000

# PERSONAL PROPERTY TAX

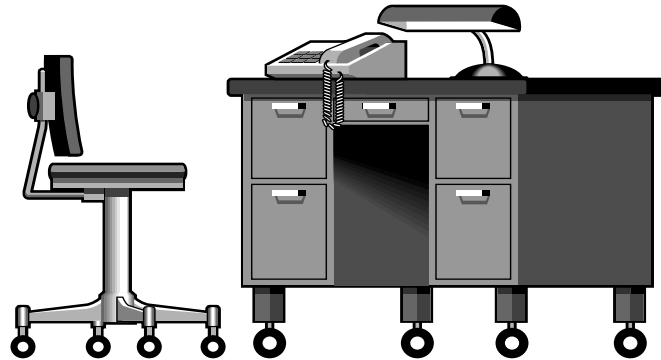
**M**ost people know that property tax applies to real property. Property tax also applies to personal property used when conducting business, and other personal property not exempted by law.

The chief characteristic distinguishing personal property from real property is *mobility*. Land and improvements to land are generally considered real property. Unless specifically exempted by law, all other property is taxable as personal property.

## Administration

County assessors and treasurers administer the property tax. Assessors value property at 100 percent of its true and fair value. Treasurers collect the property tax. The Department of Revenue advises assessors and treasurers, and oversees the valuation and taxation of property across the state.

**Affidavits:** By April 30 each year, property owners are required to



**file an annual listing of personal property.** These personal property affidavits, which are available from the assessor's office, must list all taxable property located in the county as of 12 noon on January 1 of that year. Property owners are required to file a separate affidavit for each location of taxable personal property in each county. Assessors must allocate assessed values to the taxing district in which the property is located.

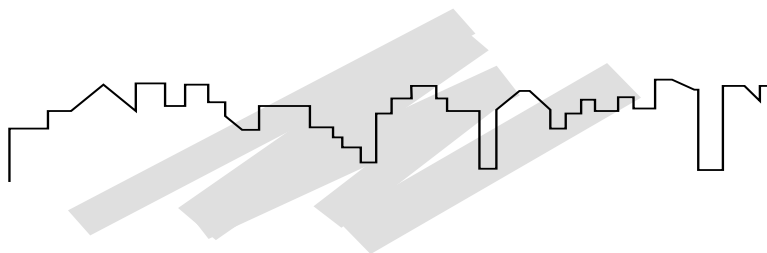
**Penalty for failure to file:** Property owners who fail to file a listing of personal property by April 30 are subject to an estimated assessment by the assessor. A penalty of five percent of the tax will be added for each month the

listing is filed after the deadline. The maximum penalty is 25 percent of the tax.

## For more information

Answers to specific questions about personal property affidavits and assessments should be directed to your county assessor while questions about tax statements should be directed to your county treasurer.

Telephone numbers of these offices are located in the county government section of your local telephone directory.





# Earmarked Taxes and Fees

**Convention and trade center tax** — the additional tax charged by hotels/motels with 60 or more units located in King County. You can find your convention and trade center tax location code on your Taxpayer Information and Local Sales and Use Tax Changes bulletin enclosed quarterly with your Combined Excise Tax Return.

**Special hotel / motel tax** — the additional tax charged for transient rental (less than 30 consecutive days) of hotel/motels, RV parks, or any other type of lodging in areas which levy the tax. You can find your special hotel/motel location code in our *Taxpayer Information and Local Sales and Use Tax Changes* flyer enclosed with your Combined Excise Tax Return.

**Tobacco products tax** — the tax on distributors who sell tobacco products at wholesale, or retailers who purchase tobacco products direct from out-of-state manufacturers.

**Refuse collection tax** — paid by customers and remitted by the refuse collectors on the charge for refuse collection only. Landfill

charges are subject to the Refuse Collection Tax (rate .036).

**Hazardous substance tax** — a tax on the first possessor in Washington State of substances defined by the Department of Ecology as hazardous.

**Solid fuel burning device fee** — a fee (currently \$30) charged to the consumer by retailers on the sale of solid fuel burning devices. These devices include wood stoves, coal stoves, fireplaces, including masonry and zero clearance fireplace inserts, and other similar devices which burn solid fuel.

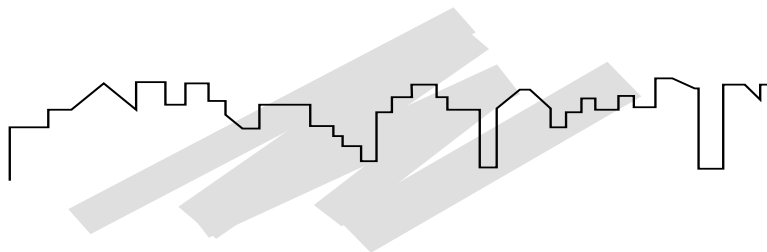
**Syrup tax** — a tax on the volume of syrup used to produce carbonated beverages and sold at wholesale and retail in Washington and on the business activity of selling such syrups in this state. An exemption is provided for syrup previously subjected to this tax in Washington.

**Intermediate Care Facilities for the Mentally Retarded (IMR)** — a tax based on the gross income attributable to services provided to the mentally handicapped by qualified providers. Facilities are certified by the Department of

Social and Health Services and the Federal Department of Health and Human Services to provide residential care under 42 U.S.C. Sec. 1396d(d).

**Litter tax** — paid by manufacturers, wholesalers, and retailers of products which contribute to the state's litter problem. The tax is due on the gross amount of sales within the state of items in thirteen categories. Those categories are: 1) food for human or pet consumption, 2) groceries, 3) cigarette and tobacco products, 4) soft drinks and carbonated waters, 5) beer and other malt beverages, 6) wine, 7) newspapers and magazines, 8) household paper and paper products, 9) glass containers, 10) metal containers, 11) plastic or fiber containers made of synthetic material, 12) cleaning agents and toiletries, and 13) nondrug drugstore sundry products.

For more information on other specific earmarked taxes and fees included on the Combined Excise Tax Return, please call the Department's Telephone Information Center.



# Audit Process

**A**s a registered business, you may be selected for an audit. Audits are a routine procedure used to determine whether state excise taxes have been reported and paid correctly. The majority of businesses audited by the Department of Revenue are chosen using statistical methods.

In general, your records will be reviewed to verify proper tax reporting. You will also receive helpful instructions and information on how to fill out returns in the future. Our Agency is committed to working with you in a professional and cooperative manner.

## What to Expect During an Audit

An audit by the Department of Revenue will normally cover the four preceding calendar years, plus the current year through the end of the last calendar quarter. All taxes, deductions and exemptions reported on your Combined Excise Tax Return will be reviewed.

An audit of your business activities will cover several major areas, including:

1. Income – verification of proper amounts and classifications reported on the return.
2. Deductions and exemptions – verification of proper amounts, classifications and documentation.
3. Purchases – verification of retail sales or use tax paid on capital assets, consumable supplies or articles manufactured for your own use.

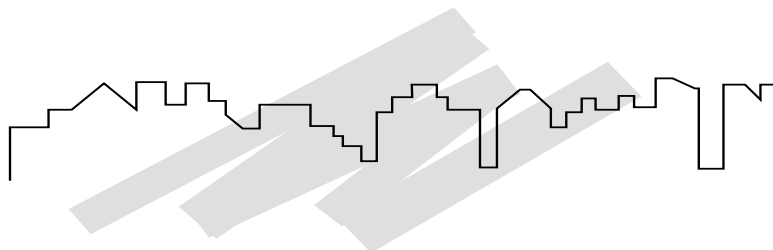
## Recordkeeping Requirements

To minimize inconvenience and the time it takes to complete an audit, please have the following records for the audit period available for your meeting with the auditor:

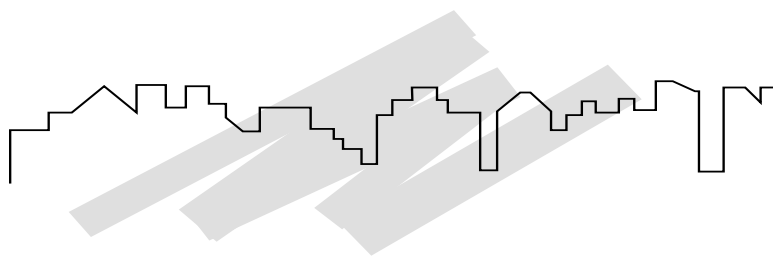
- ◆ *Washington State Combined Excise Tax Return* and workpapers;

- ◆ Federal Income Tax Return for the business;
- ◆ Summary accounting records and source journals such as check register, the general ledger, sales journal, general journal, cash receipts journal and any other records you use to record income and expenses;
- ◆ Sales invoices;
- ◆ Purchase invoices (accounts payable, receipts);
- ◆ Depreciation schedules listing all assets acquired or disposed of during the audit period along with purchase or sales invoices for those assets;
- ◆ Resale certificates for any wholesale sales made; and
- ◆ Supporting documentation for all deductions and exemptions.

**\* ALL RECORDS MUST BE MAINTAINED FOR FIVE YEARS**



# Combined Excise Tax Return



Please contact the Department of Revenue if any of the information you've given us has changed, including your address (physical and mailing), phone number, business entity, business activity or if you close your business.

## Accounting methods

Unless you keep your books on a cash basis, taxes must be paid for all sales made during the reporting period even if you have not received payment.

### ✓ Cash basis

This is a method of accounting in which revenue and expenses are recorded on the books of account when actually received and paid (see WAC 458-20-197 and WAC 458-20-199).

### ✓ Accrual basis

This is a method of accounting in which revenue and expenses are identified with specific periods of time, such as a month or year, and are recorded as incurred, along with acquired assets, without regard to the date of actual payment (see WAC 458-20-197 and WAC 458-20-199).

## Due dates

Monthly:

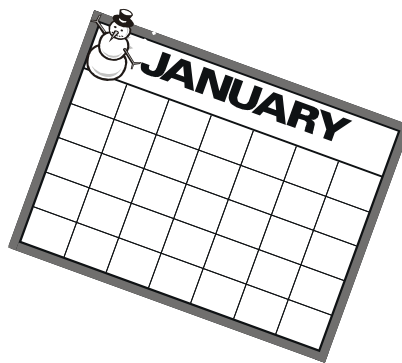
- 25th of the following month

Quarterly:

- last day of the following month

Annually:

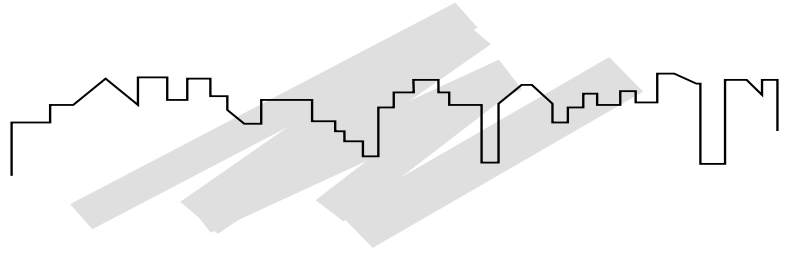
- January 31 of the following year



## Amended Returns

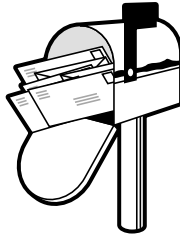
If you realize you have made a mistake on your Combined Excise Tax Return, you should complete an Amended Return to correct this mistake. Please contact your local Revenue office or call the Telephone Information Center for assistance.

# Helpful Hints for Timely Payments



## Hints to avoid late payments

- ✓ Set up a separate account for the collected trust funds (sales tax). Every time you are paid put the sales taxes in the separate account. This way you will not accidentally spend these funds and they will be available to remit with your return.
- ✓ Should you choose to mail your return in, mail it a few days ahead of time. This will ensure it gets postmarked on time.
- ✓ If you move, notify the Department of Revenue of your new mailing and physical address to ensure you will receive all forms and/or correspondence.
- ✓ If you have any questions regarding liability, payment, returns or other subjects, please contact your local Department of Revenue office.

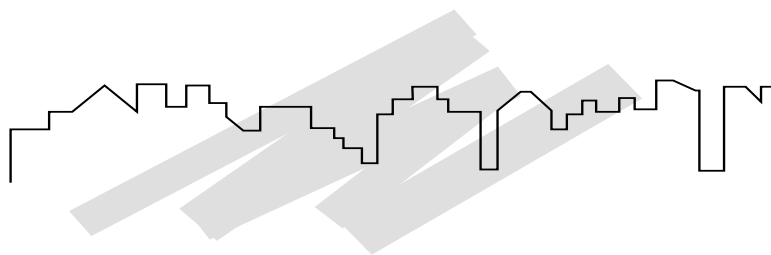


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## If you can't pay

- ✓ If you are unable to pay your taxes in a timely fashion, contact your local Department of Revenue office right away. You will be directed to a Revenue Agent who is assigned to your account.
- ✓ If your inability to pay is due to a lack of funds keep in mind that there is a penalty on late payments. The penalties are as follows;  
  
Five percent after the due date until the last day of the month following the due date;
- 10 percent after the last day of the month following the due date; and  
  
20 percent after the last day of the 2nd month following the due date and anything after.

# Administrative Appeals Process



**T**axpayers have the right to appeal when they disagree with an assessment issued by the Department of Revenue.

Whenever possible, the Department encourages taxpayers who disagree with an assessment to ask for a supervisory conference before the assessment is issued. For example, when your business records are audited, the auditor will meet with you to discuss the results. If you disagree with those results, you may have a conference with the auditor's supervisor. Most differences can be resolved at this level without the need for an appeal.

However, if the differences can't be resolved at the supervisory level, you can file a petition for review with the Department's Appeals Division.

## Period for filing

You must file a petition for review requesting a correction of an assessment before the due date or extension date of the assessment. After the due date, you must pay the assessment, then file a petition for review requesting a refund within four years of the close of the tax year in which taxes were paid. For example, if you paid tax during June 1998, you have until December 31, 2002, to petition Appeals for a refund.

Appeals should be mailed directly to the Appeals Division. The mailing address is:

State of Washington  
Department of Revenue  
Appeals Division  
Post Office Box 47460  
Olympia, Washington 98504-7460

## For further information

WAC 458-20-100 contains a full discussion of the administrative appeals process. Contact one of the numbers listed in this publication for a copy of the rule.



# ELECTRONIC FILING

## File your taxes online!

Electronic Filing (ELF) lets businesses file their tax returns online and pay by electronic funds transfer, check, or American Express credit card. ELF helps businesses get it right the first time by performing calculations automatically and flagging potential errors or omissions before the return is filed.

To learn more about this free service, and see if you qualify, visit <http://dor.wa.gov> or call (800) 647-7706.

## What is Electronic Filing?

The Department of Revenue's Electronic Filing program is a secure method of filing and paying excise taxes via the Internet. Many businesses can now take advantage of this easy, convenient method of filing and paying their state excise taxes.

## What are the benefits of Electronic Filing?

### It's Simple

Using the Internet, you can start calculating and paying your state excise taxes directly online. Step-by-step, ELF nimbly guides you through the filing process, delivering a customized tax return and detailed help screens right to your desktop. Why wade through reams of tax information you don't need when you can get the job done easily and accurately with ELF?

### It's Accurate

Once you enter your data, ELF's smart, interactive design automatically calculates your tax return. And, because ELF taps the power of the Internet, it delivers the latest tax tables right to your desktop. The best part? ELF actually prevents you from submitting your return unless all the numbers add up. No more crossing your fingers...

### It's Secure

Through ELF's pioneering technology, filing and paying taxes online is safe and secure. Sensitive business information and payments are closely guarded by sophisticated encryption and password systems. And, once you submit, you can rest assured that the Department of Revenue has received your return. How? ELF delivers a confirmation receipt for your records.

### It's Fast

Ten minutes is all it takes to complete and file the electronic tax return, and the push of a button sends it on its way. No envelopes, no postage, no paper work required. Going to be out of town on tax day? No problem. ELF allows you to file your return today, and "post-date" your payment for any day you desire. (Any day before the due date, of course!).

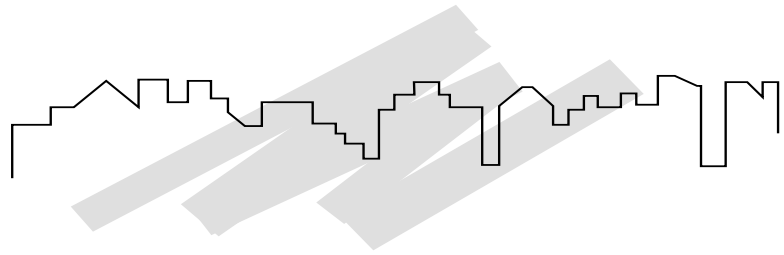
### It's Free

ELF was developed with the help of people just like you who want to dramatically simplify the task of filing and paying business taxes. That's why it's available free to every Washington State business owner.

## How do I get started?

To learn more about this free service, and to see if you qualify, visit <http://dor.wa.gov> or call (800) 647-7706.

# Services & Resources



**T**he Department of Revenue offers many services to make reporting your taxes as convenient as possible. We conduct workshops, provide personal and telephone assistance, produce a wide range of publications and offer valuable tax information and services via our Internet web site. The following list contains a sampling of the Department's services.

- ◆ Internet – The Department's Internet web site at <http://dor.wa.gov> offers a wide variety of information and resources for your business, including:
  - ◆ Business Information Update – You can notify us online if your business has moved, closed, or changed activities.
  - ◆ Electronic Filing (ELF) – Learn more about filing and paying taxes electronically.
  - ◆ External Links – Find links to other agencies and organizations that can assist you in your business.
  - ◆ Frequently Asked Questions (FAQs) – Get answers to frequently asked tax questions.
  - ◆ Field Office Locations – Find directions to a field office near you.
- ◆ Geographic Information System (GIS) – Use the GIS map or address lookup feature to determine the correct code and tax rate for specific locations. You can also see various maps outlining city, PTBA, and RTA boundaries.
- ◆ Public Records/State Business Records Database – Look up public information on businesses registered in Washington State. Public information includes business name, open and close dates, Standard Industrial Code (SIC), North American Industry Classification Code System (NAICS), UBI/TRA number, and owner type. This information is available for non-commercial purposes only.
- ◆ Publications and Forms – Find several of our publications, reports, news releases, and forms online. You may also contact your local Revenue office or the Telephone Information Center at (800) 647-7706.
- ◆ Reporting Fraud – Report Washington State tax and license fraud using our online form. You may also link to other state agencies for information on fraud cases and consumer protection.
- ◆ Rules and Laws – Search our online database for Department of Revenue rules and laws.
- ◆ Service Directory – Find a list of Department services including publications, forms, business information workshops, the Taxpayer Advocate, specific taxes and programs, and other agencies to contact.
- ◆ Speakers Bureau – Arrange to have a Department of Revenue representative speak on topics of interest to your organization. You may also contact the Speakers Bureau Coordinator at (360) 486-2111.
- ◆ New Business Outreach Workshops – Register for a free workshop in your area that covers business registration, reporting, tax laws and rules, and recordkeeping requirements. You may also contact your local Revenue office or call the Telephone Information Center at (800) 647-7706.
- ◆ Taxpedia – Find comprehensive state tax information online. Taxpedia is a one-stop source for tax-related laws, rules, advisories, administrative decisions, and court cases.

Tax Express – Get answers to your most common tax questions 24 hours a day, seven days a week, by calling the *Tax Express* prerecorded information system. To access Tax Express, call (800) 334-8969 from a touch-tone telephone. You will then be asked to enter the three-digit code which corresponds to the topic.

- ◆ Fast Fax – You can now access the most requested forms and publications 24 hours a day, seven days a week. The Department's Fast Fax feature allows callers to select from about 100 forms, publications, and administrative rules and have them transmitted directly to their fax machines. To use the system, dial (800) 647-7706. To obtain a list of all available documents, enter 500#.
- ◆ Telephone and one-on-one assistance – Assistance in registering businesses, completing tax returns and responding to questions can be requested by calling or visiting the Revenue office nearest you. A list of locations and phone numbers is located on the back of this publication. Taxpayers may also call the Telephone Information Center toll-free at (800) 647-7706.
- ◆ Research Statistics – For copies of research publications, data on tax collections, tax-related statistics on business activity by industry and geographical area, and other statistical information about the state's tax structure, contact our Research Division at (360) 570-6070.
- ◆ Tax Consultation Visits – At your request, a Revenue staff member will meet with you to explain how state taxes apply to your specific business activities. This service is strictly voluntary and is intended to be brief, taking about two hours. If you are interested in a tax consultation visit, please call the Telephone Information Center at (800) 647-7706.
- ◆ Taxpayer Advocate – For assistance in understanding and accessing your rights in working with the Department of Revenue, call the Taxpayer Advocate at (360) 486-2340.



## Specific taxes and programs

**Brokered natural gas tax:** Taxpayer Account Administration, (360) 902-7063.

**Business and occupation tax:** Call your local field office or Telephone Information Center.

**Business and occupation tax credit for new employees:** Taxpayer Account Administration, (360) 902-7175.

**Cigarette tax:** Special Programs Division, (360) 664-0700.

**Corporate withdrawals or dissolutions:** Audit Division, (360) 570-5963.

**Electronic Filing:** Visit our website at <http://dor.wa.gov> or call the Telephone Information Center, (800) 647-7706

**Electronic Funds Transfer program:** Taxpayer Account Administration, (360) 902-7170.

**Enhanced food/fish tax:** Taxpayer Account Administration, (360) 902-7128.

**Escheats:** For assistance in administering estates with no heirs, call the Special Programs Division at (360) 753-5547.

**Estate Tax:** Special Programs Division, (360) 753-5547.

**Excise tax status letters:** Taxpayer Account Administration, (360) 902-7145.

**Excise tax refunds:** Taxpayer Account Administration, (360) 902-7151.

**Forest excise tax:** Special Programs Division at 1-800-548-8829.

**Hotel/motel special excise tax:** Taxpayer Account Administration, (360) 902-7170.

**Leasehold excise tax:** Special Programs Division, (360) 586-5190.

**Oil spill response and administration tax:** Taxpayer Account Administration, (360) 902-7165.

**Property tax education and advisory services:**

- ✓ Seminars and training for county personnel, (360) 570-5866;
- ✓ County Board of Equalization information and levy calculations, (360) 570-5864;
- ✓ County revaluation programs, (360) 570-5862;
- ✓ Taxing districts and code area boundaries and maps, (360) 570-5894.

**Property tax exemptions:**

- ✓ Nonprofit organizations applying for exemptions, (360) 570-5871;
- ✓ Senior citizens/disabled homeowners exemption and deferral, (360) 570-5867;
- ✓ Current use assessment for classified and designated forest land, (360) 570-5865.

**Property tax general information:** Call (360) 570-5900. For information regarding a specific property tax assessment, please contact your county assessor.

**Property tax vessel valuation:** For information on watercraft valuation and boat personal property tax and valuation, call (360) 753-1520.

**Public utility tax credit for contributions to an electric utility rural economic development revolving fund:** Taxpayer Account Administration, (360) 902-7144.

**Real estate excise tax refunds:** For information regarding refunds of the real estate excise tax, contact the Special Programs Division at (360) 664-2201. For information on the real estate excise tax itself, please contact the county treasurer's office where the property is located.

**Retainage fees:** For release of retainage fees on completed public construction projects, call the Audit Division at (360) 570-5979.

**Rule hearings:** For information on proposed rule changes and Excise Tax Advisories, contact Legislation and Policy at (360) 570-6119.

**Sales tax deferrals:** Special Programs, (360) 664-2016.

**State and local retail sales tax:** Call your local field office or the Telephone Information Center.

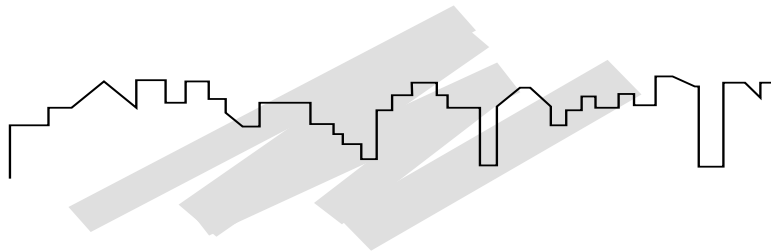
**Tax appeal questions:** For all questions related to appeals with the Department, call the Appeals Division at (360) 570-6140.

**Unclaimed property:** For information on abandoned wages, stock dividends and deposits, please call 1-800-435-2429.

**Use tax:** Call your local field office or the Telephone Information Center.

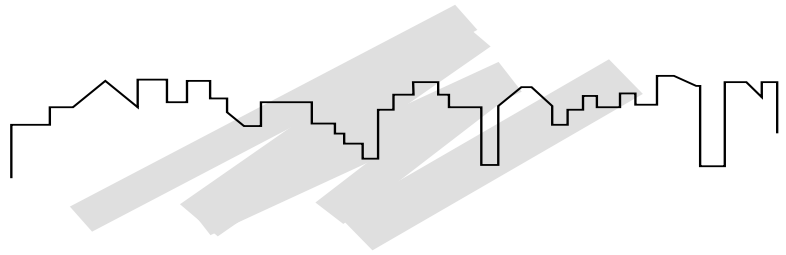
# Washington State Department of Revenue

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## *EXERCISES*



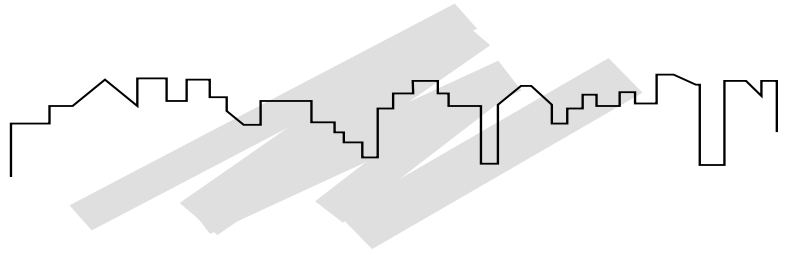


## Exercise One

Sam's Janitorial Service, Inc. had income for July 2001 as follows:

Cleaning residential carpets (in place)	\$6,000
Cleaning commercial office buildings	\$4,000

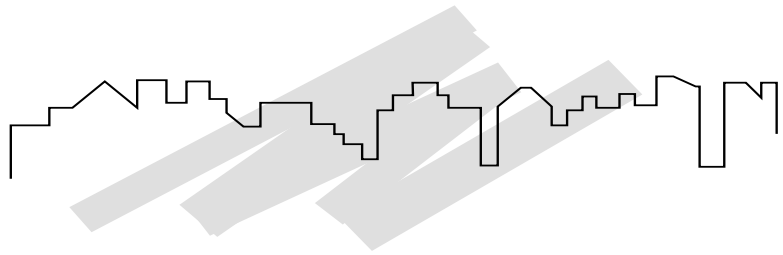
Prepare Sam's 07/01 Combined Excise Tax Return.



## Exercise Two

Joe's Accounting, located in Orting, had gross income from accounting services of \$4,000 for the month of July 2001. Joe also sold his old, used computer to another accountant for \$500.

Prepare a Combined Excise Tax Return for Joe. Joe's location code is 2710. (Orting is located in the Regional Transit Authority (RTA) area.)



## Exercise Three

Smith's Landscaping had the following income for the month of July 2001:

Installing landscaping	\$ 6,978.77
Mowing lawns	\$ 2,000.00
Pruning trees & shrubs	\$ 500.00
Hedge trimming	\$ 500.00
<u>Sale of trees</u>	<u>\$ 619.84</u>
Total	\$ 10,598.61

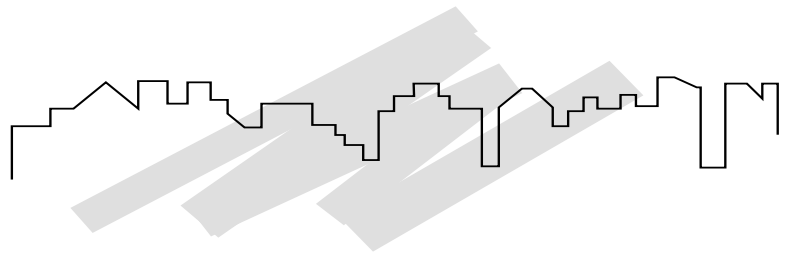
All of Smith's services were provided to the end consumer.

Smith's purchased \$478.77 worth of shrubs for the landscape installation on which they paid retail sales tax.

Smith's purchased a new edge trimmer for \$300 in Oregon. No retail sales tax was paid.

Smith's sold \$619.84 worth of trees to ABC Construction, who provided a resale certificate.

Prepare a Combined Excise Tax Return for Smith's. Smith's work was all done in the unincorporated area of Pierce County, code 2727, within the Public Transportation Benefit Area (PTBA) and Regional Transit Authority (RTA) areas.



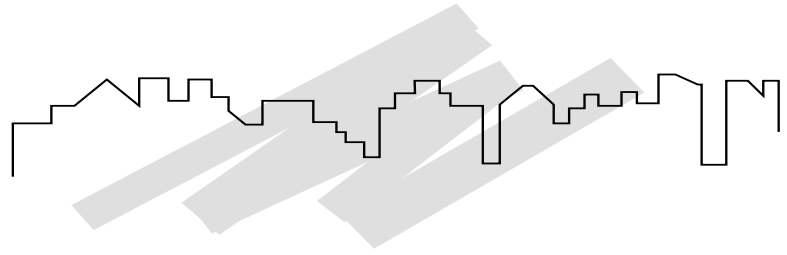
## Exercise Four

Cindy's Helmet Manufacturing, Inc. had the following information for Q2/01:

Sales of helmets to Washington retail dealers who provided resale certificates	\$20,041.32
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Sales of helmets to retail dealers outside Washington who provided resale certificates	\$20,867.77
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All of Cindy's helmets were manufactured in Washington. Prepare a Combined Excise Tax Return for Cindy's Helmet Manufacturing, Inc.



## Exercise Five

Following is information on Jim's Construction for the month of July 2001:

Income from custom construction	\$20,000
Income from sale of speculative home	\$94,000
Materials used on speculative homes (no sales tax paid on purchase of materials)	\$15,000
Income from sales of construction work to a prime contractor (resale certificate was given)	\$2,000
Purchase of materials for custom construction on which sales tax was paid	\$400

Prepare a July Combined Excise Tax Return for Jim's Construction.

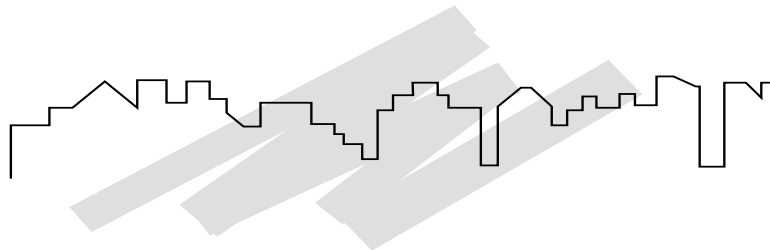
Custom construction was done in unincorporated King County, within the RTA area, code 1700.

The materials used on speculative construction were installed in a home being built in Lacey, code 3402.

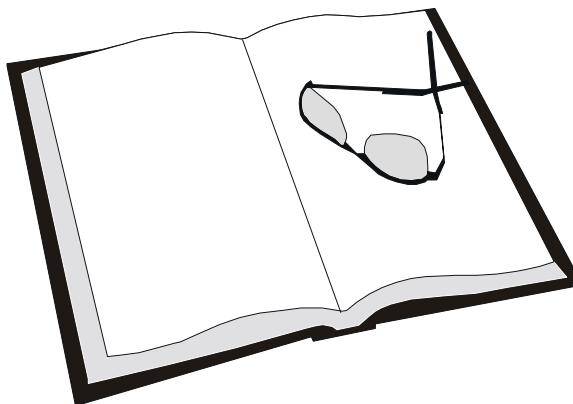
Materials were purchased in Tacoma within the RTA area, code 2717.

# Washington State Department of Revenue

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## *RULES & EXCISE TAX BULLETINS*







**1-800-647-7706**

*Fast Fax*, the Department of Revenue's fax-on-demand system, provides you with access to many of the Department of Revenue's forms and publications, special notices, and proposed rule-making actions. *Fast Fax* allows you to request a document be transmitted directly to your fax machine.

Following a series of voice prompts, simply input the code for the document you wish sent via fax. The following tables identify documents that are currently available via *Fast Fax*. As necessary,

publications and forms are added or removed from the list of available documents. If the document you want is not listed here, use the code "500#" to obtain a list of all documents available.

You may access *Fast Fax* by calling the Telephone Information Center at 1-800-647-7706. A menu selection identifies *Fast Fax* as one of the available services. To bypass menu selections and access *Fast Fax* directly after October 1, 2001, call (360) 486-2343.

Code	Brochure	# of Pages
100	Local Sales Tax Rates (updated quarterly)	4
101	Local Sales Tax Rates Annual 2000	4
102	Instructions for completing the Annual 2000 Combined Excise Tax Return	4
200	Resale Certificate (form only)	3
401	Amended Return Instructions	11
500	List of available Fast Fax documents	3
501	Brochure Order Form	1
503	Renton Business Fair 1999	1
601	Business and Occupation Tax	8
602	Retail Sales Tax	8
603	Use Tax	3
604	Business Tax Overview	4
605	Resale Certificates	6
606	Nonprofit Organizations	6
607	Local B&O Tax Information	2
608	Tips for Computer-Generated Returns	2
609	Deferrals, Exemptions & Credits	3
6091	Distressed Area Sales & Use Tax Deferral Program	9
6092	Distressed Area B&O Tax Credit for New Employees	6
6093	High Technology Sales & Use Tax Deferral	6
6094	High Technology B&O Tax Credit	8
6095	Manufacturer's Sales/Use Tax Exemption	5
610	Aircraft Taxes	4
611	A Homeowner's Guide to Property Taxes	6
612	Electronic Filing Program "ELF"	7
613	Property Tax Deferrals for Senior Citizens and Disabled Persons	6
614	Property Tax Exemptions for Senior Citizens and Disabled Persons	6
615	Tax Consultation Service	2
800	Child Care Operators	7
801	EFT Due Dates, 2001	2

Code	Brochure	# of Pages
901	Anticipated Rule-Making Activity	2
902	Administrative Rule-Making Procedures	3
Code	Form	# of Pages
26 0003	Declaration Research and Development Credit	2
26 0004	Initial Survey Sales Tax Deferral Program for High-Technology Research and Development...	1
26 0005	Initial Survey Research and Development Credit	1
26 0008	Retail Sales Tax Exemption Certificate (Original Manufacturer's Warranty)	1
27 0001	Master Application	10
27 0017	Confidential Tax Information Authorization	1
27 0020	Resale Certificate	1
27 0021	Manufacturer's Sales and Use Tax Exemption Certificate	1
27 0025	Agricultural Employer Housing Exemption Certificate	1
27 0034	Retail Sales Tax Exemption Certificate to Reduce Agricultural Burning	1
31 0037	Application for Withdrawal or Dissolution of and Guaranty (For the Dept. of Revenue only)	1
32 2485	Application for Refund of Use Tax	2
32 2501	Declaration of Buyer & Seller Regarding Value of Used Vehicle Sold	1
40 0014	Schedule C (MATC)	2
40 0015	Local Sales/Use Tax Supplemental Form	1
40 0304	Deduction Sheet (Pages 3 & 4)	2
40 2407	Multi-Purpose Tax Return, 7/1993 - 6/1994	4
40 2408	Multi-Purpose Tax Return, 7/1994 - 12/1994	4
40 2409	Multi-Purpose Tax Return, 1/1995 - 6/1995	4
40 2410	Multi-Purpose Tax Return, 7/1995 - 12/1995	4
40 2411	Multi-Purpose Tax Return, 1/1996 - 6/1996	4
40 2412	Multi-Purpose Tax Return, 7/1996 - 3/1997	4
40 2413	Multi-Purpose Tax Return, 4/1997 - 6/1997	4
40 2414	Multi-Purpose Tax Return, 7/1997 - 6/1998	4



**1-800-647-7706**

Code	Form	# of Pages
40 2415	Multi-Purpose Tax Return, 7/1998 - 12/1998	4
40 2416	Multi-Purpose Tax Return, 1/1999 - 7/1999	4
40 2417	Multi-Purpose Tax Return, 8/1999 - 2/2000	4
40 2418	Mult-Purpose Tax Return, 3/2000 - 6/2000	4
40 2419	Multi-Purpose Tax Return, 7/2000 forward	4
41 0056	Monthly Small Business Credit Chart	2
41 0057	Quarterly Small Business Credit Chart	2
41 0058	Annual Small Business Credit Chart	2
41 0060	EFT Authorization Form	2
41 0061	Professional Certification Confirming Environmental Remedial Action	1
41 0062	Owner/Agency Certification of Environmental Remedial Action	1
41 0063	Leaded Racing Fuel Tax Addendum	1
44 2413	Temporary Business Registration	3
81 1002	Distressed Area Application for Sales and Use Tax Deferral	2
81 1003	Distressed Area Application for B&O Tax Credit on New Employees	3
81 1008	Distressed Area Application for Sales & Use Tax Deferral	2
83 2501	Use Tax Return	2
87 0011	Retail Sales/Use Tax Exemption Certificate for Enrolled Tribal Member	1
Code	Special Notices	# of Pages
700	Manufacturing Sales/Use Tax Exemption	10
701	Information for Non-profit Organizations	2
706	State of Washington Vehicle Tax and Licensing in Military Services	2
714	Process Servers and Legal Messengers	1
715	Special Stadium Tax	1
717	State Requirement of Auto Repair Shop	2
718	Tax Exemption for Motion Picture and Video Production Companies	3
719	Sales and Use Tax Exemption for Farm Worker Housing	2
720	Tax Changes for Providers of Tours, and Amusement & Recreation Services	2
721	Manufacturing Machinery and Equipment Exemption - 1996 update	11
722	Low Density Power Business Deduction	1
723	Small Business Registration and Reporting	1
728	Service B&O Rate Reductions	1
729	Cash Basis	1
730	Cigarette Tax Rate Increase	3
731	Manufacturing Machinery and Equipment Blanket Exemption Certificate	2
732	Ride Share Credit Changes	2
733	Tax Exemption for Naturopathic Medicines	1

Code	Special Notices	# of Pages
734	Special Rate for Wholesale Fruit and Vegetable Processors	1
735	Firewood Sellers	1
736	Mobile Home Park Fees Repealed	1
740	Regional Transit Authority (RTA) Tax	2
741	King County Food and Beverage Tax and RTA Tax	1
742	RTA Rental Car Tax Increase	1
743	Dealers and Licensing Agencies - Approval of RTA Increases Sales and Use Tax	6
745	Tax Incentives for Warehouse Businesses	12
746	Motion Picture and Video Production Sales Tax Exemption Expanded	3
747	Farmworkers Housing Exemption Modified	3
748	Eligible Areas For Tax Exemptions and Credits (1998 update)	3
749	Tax due on Commercial use of Molds by Orthotic and Prosthetic Manufacturers	1
750	Distressed Counties and Local Tax Options	1
751	Elimination of Annual Summary and Certificate Filing Requirement for Manufacturing Machinery	2
752	Tax Changes on Dental Laboratories and Products	8
754	Important Changes for Nonprofit Organizations and Local Governments	1
755	Internal Distribution Tax Classification Eliminated	1
756	B&O Tax Classifications and Rate Changes	3
757	Taxation of Computer Software Services & Canned Software Sales or Licensing	2
758	Tax Incentives for Environmental Remedial Action	7
759	Excise Tax Exemption for Small Water Districts and Small Irrigation Districts	2
760	Rule Change on the Small Business Credit for Business with Multiple Accounts	1
761	Sales Tax Exemption for Foreign Diplomats	2
762	Combined Excise Tax Return Classification Reporting Change	1
763	High Technology B&O Tax Credit Rate Change	1
764	Sales Tax Collection Requirements on Sales of Manufactured Housing	2
765	Important Information for Retailers Making Sales to the US Government	4
766	Reminder of Litter Tax Change	2
767	Ride Sharing Tax Credit Enhancements	3
769	Tax Incentives for Rural Development	4



**1-800-647-7706**

Code	Special Notices	# of Pages
770	Real Estate Excise Tax Transfers of Controlling Interest	1
771	Manufacturing Machinery & Equipment Exemptions Refund for Logging & Aggregate Business	4
772	Use Tax Obligations of Physicians	1
773	Use Tax Reminders for Physicians	1
774	Farmworker Drinking Water Special Notice	3
775	Ride Sharing Tax Credit Enhancements for Property Managers	3
776	Public Utility Tax Credit	4
777	Dental Industry Use Tax Reminder	1
778	New Buyers Retail Sales Tax Exemption Certificate	5
779	Effects of I-695 on the Ride Sharing Tax Credit	2
780	Car Rental Tax Still Due as of Jan. 1 2000, Tax on Car Rentals Unaffected by I-695	1
781	Use Tax Reminder for Medical Professionals	1
782	Special Notice for Direct Sellers	1
783	Questions & Answers about the International Services Districts B&O Tax Credit	3
784	Washington Government Entities Tax Obligations	2
785	Tax Incentives to Reduce Agricultural Burning	5
786	Petroleum Products Tax Extended to June 1, 2000	1
787	Paging Services Subject to Retail Sales Tax	1
788	What You Need to Know about Itemizing the B&O tax	2

Code	WAC or ETA	Title
2100	WAC 458-20-100	Appeals, Small Claims and Settlements
2101	WAC 458-20-101	Tax Registration
2102	WAC 458-20-102	Resale Certificates
2104	WAC 458-20-104	Small Business Tax Relief
2106	WAC 458-20-106	Casual Sales and Business Reorganization
2110	WAC 458-20-110	Freight and Delivery Charges
212401	WAC 458-20-12401	Special Stadium Sales and Use Tax
2131	WAC 458-20-131	Merchandising Games
2145	WAC 458-20-145	Local Sales and Use Tax
214601	WAC 458-20-14601	Financial Institutions- Income Apportionment
2166	WAC 458-20-166	Hotels, Motels etc.
2167	WAC 458-20-167	Educational Institutions
2168	WAC 458-20-168	Hospitals and Medical Care Facilities

Code	WAC or ETA	Title
2169	WAC 458-20-169	Religious and Non-Profit Organizations
2170	WAC 458-20-170	Constructing and Repairing Buildings
2173	WAC 458-20-173	Installing, Repairing or Altering Personal Property
2178	WAC 458-20-178	Use Tax
2180	WAC 458-20-180	Motor Transportation, Urban Transportation
2183	WAC 458-20-183	Amusement and Recreational Services
2187	WAC 458-20-187	Coin Operated Vending and Amusement Machines
2189	WAC 458-20-189	Sales to and by the State, Counties, and Cities
2193	WAC 458-20-193	Inbound and Outbound Interstate Sales
2194	WAC 458-20-194	Doing Business Inside and Outside the State
2199	WAC 458-20-199	Accounting Methods
2207	WAC 458-20-207	Legal, Arbitration, and Mediation Services
2211	WAC 458-20-211	Leases or Rentals of Tangible Personal Property
2216	WAC 458-20-216	Successors, Quitting Business
2226	WAC 458-20-226	Landscape and Horticultural Services
2244	WAC 458-20-244	Food Products
2316	ETA 316.08.193	Sales to Non-Residents (1998 Excise Tax Advisory Conversion)

# Publications Order Form

The Department of Revenue offers numerous publications covering a wide range of topics. These publications are available upon request by calling the Telephone Information Center at (800) 647-7706, by contacting your local Revenue office, or by completing this form and mailing it to: Department of Revenue, Taxpayer Services Division, PO Box 47478, Olympia, WA 98504-7478. Many of these publications are also available on the Department's Internet web site at <http://dor.wa.gov>.



QUANTITY	PUBLICATION
_____	Active, Nonreporting Business
_____	Aircraft Taxes
_____	Audit Process
_____	Beauticians Guide
_____	Below Minimum
_____	Business and Occupation Tax
_____	Business Tax Guide
_____	Business Tax Overview
_____	Child Care Operators
_____	Cigarette Tax
_____	Collection Process
_____	Construction Tax Guide
_____	Deferrals, Credits and Exemptions
_____	<i>Manufacturer's Sales/Use Tax Exemption</i>
_____	<i>Distressed Areas Sales/Use Tax</i>
_____	<i>Deferral Program</i>
_____	<i>Distressed Area Business and Occupation</i>
_____	<i>Tax Credit for New Employees</i>
_____	<i>High Technology Sales/Use Tax Deferral</i>
_____	<i>High Technology Business and Occupation</i>
_____	<i>Tax Credit</i>
_____	Electronic Funds Transfer
_____	Electronic Filing
_____	Farm Use Tax
_____	Fast Fax
_____	Fish Tax
_____	Homeowner's Guide to Property Tax
_____	Horse Industry Tip Sheet
_____	How to Amend Your Combined
_____	Excise Tax Return
_____	Nonprofit Organizations
_____	Notice to all Auto Repair Facilities
_____	Outline of Major Taxes
_____	Personal Property Tax
_____	Property Tax Deferrals for Senior
_____	Citizens and Disabled Persons
_____	Property Tax Exemptions for Senior
_____	Citizens and Disabled Persons
_____	Real Estate Transactions and Use Tax
_____	Resale Certificates
_____	Restaurant Guide
_____	Retail Sales Tax
_____	Small Claims Hearings
_____	Tavern Guide
_____	Taxpayer Rights and Responsibilities
_____	Tax Return Information and Local Sales and
_____	Use Tax Changes Flyer
_____	Tax, Title and Registration of Boats
_____	Temporary Business Registration
_____	Unclaimed Property
_____	Use Tax
_____	Veterinarians Guide
<b>OTHER:</b>	
_____	Excise Tax Advisories (ETA)_____
	identify by number
_____	Numerical listing and titles of ETAs
_____	Special Notice_____
	identify by title and date
_____	WAC (Rule)_____
	identify by number
_____	Washington Tax Facts_____
	identify by date

**PLEASE SEND PUBLICATION(S) TO:**

Contact Person:\_\_\_\_\_

Business Name:\_\_\_\_\_

Mailing Address:\_\_\_\_\_

City, State, Zip:\_\_\_\_\_



**1-800-334-8969**

**Prerecorded Tax Information  
24 hours a day**

**TAX INFORMATION**

- 125 Business and Occupation Tax
- 126 Retail Sales Tax
- 127 Estate Tax
- 128 Use Tax
- 129 Local Sales and Use Tax
- 130 Litter Tax
- 131 Forest Tax
- 132 Unclaimed Property
- 133 Income Tax
- 134 Property Tax Exemptions
- 135 Real Estate Excise Tax
- 136 Small Business Credit
- 137 King County Food and Beverage Tax

**DIRECTIONS TO REVENUE OFFICES**

- 225 Seattle
- 226 Renton
- 227 Olympia

**DEDUCTION INFORMATION**

- 325 Bad Debts
- 326 Interstate Sales
- 327 Nonresident Sales
- 328 US Government Sales
- 329 Freight
- 330 Trade-in
- 331 Cash/Trade Discount
- 332 Motor Vehicle Fuel Tax
- 333 Sales to Foreign Diplomats
- 334 Sales to Native Americans
- 335 Sales to US Government Employees

**HOW TO**

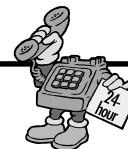
- 425 Get a Business Application
- 426 File Amended Returns
- 427 Request a Refund
- 428 Request a Written Opinion
- 429 Request a Penalty Waiver
- 430 Close Your Account

**MISCELLANEOUS INFORMATION**

- 500 Using Tax Express
- 525 Resale Certificates
- 526 Trademark/Trade Names
- 527 Electronic Funds Transfer Due Dates
- 528 Local Tax Rate Changes
- 529 Refund Status
- 530 Minimum Licensing Requirements
- 531 Internet web site

**TELEPHONE NUMBERS FOR OTHER AGENCIES**

Internal Revenue Service (IRS)  
1-800-829-1040  
Master Application Status,  
Department of Licensing  
(360) 664-1400



## 24-hour automated services

The Department of Revenue's Telephone Information Center offers several automated services. With the exception of *Tax Express* and Revenue's web site, you can access any of these services by calling 1-800-647-7706.

Listen to the menu and select the option you wish to use.

**Fast Fax** — Transmit documents directly to your fax machine. For a list of available documents, enter code 500#.

**Workshops** — Call to attend one of the New Business Outreach Workshops.

**Vehicle or vessel fraud** — Report vehicle or vessel licensing fraud.

**Address changes** — Notify us if you have moved or changed your mailing address.

**Business closures** — Notify us if you have closed or sold all or part of your business. If you've sold your business, tell us who you sold the business to and whether you'll continue to do business under your UBI/tax registration number.

**Master Applications** — Request a new Master Application if you're changing your business structure (legal entity), changing or adding a trade name, opening a new location, reopening a closed business, divorcing and your spouse is no longer responsible for the business, changing your principal product or service and a license from another agency is required, or transferring the majority of a corporation's stock to different individuals.

**Copies of rules, laws, or other departmental publications** — Request a rule, law, or other publication. An order form listing the Department's fact sheets and brochures is available via *Fast Fax*, code 501#.

**Proposed rules** — Leave informal comments on proposed rule changes or ask to be placed on a mailing list to receive notice of future proposed rule-making actions.

**Delinquent notices/no tax returns** — Clear the delinquency if you have received a delinquent notice and you have no business to report.

**Duplicate tax returns** — Request a new tax return be faxed or mailed if you've misplaced your tax return. Have your UBI/tax registration number ready when calling.

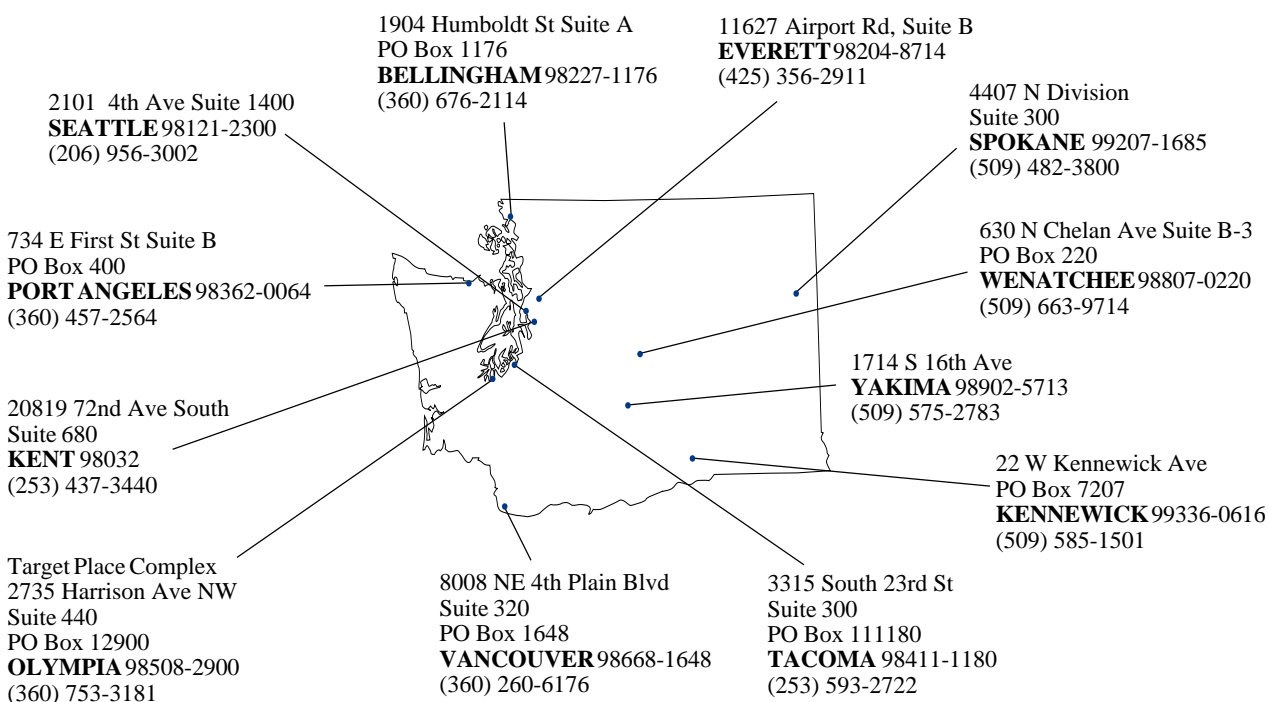
**Tax Express** — Listen to prerecorded tax information by calling 1-800-334-8969. To listen to the topic of your choice, enter the three-digit code. To receive a list of topics and codes, call 1-800-647-7706 and leave a message with the automated voice attendant.

**Revenue's web site** — See what's new on our web site:  
<http://dor.wa.gov>

# Department of Revenue Taxpayer Assistance

## 1-800-647-7706

### FIELD OFFICE LOCATIONS



<http://dor.wa.gov>

*To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 753-3217. Teletype (TTY) users please call 1-800-451-7985.*



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